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## Second Committee

**Summary record of the 3rd meeting**
Held at Headquarters, New York, on Monday, 1 October 2001, at 10 a.m.

*Chairman:* Mr. Seixas da Costa ..... (Portugal)

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*The meeting was called to order at 10.30 a.m.*

**Election of officers**

1. **The Chairman** informed the Committee that the Group of Asian States, the Group of Latin American and Caribbean States and the Group of African States had proposed, respectively, Mr. Dharmansjah Djumala (Indonesia), Mr. Garfield Barnwell (Guyana) and Mr. Felix Mbayu (Cameroon) for the three posts of Vice-Chairman. The Group of Western European and other States had proposed Ms. Jana Simonova (Czech Republic) for the post of Rapporteur.

2. **Mr. Dharmansjah Djumala** (Indonesia), **Mr. Garfield Barnwell** (Guyana) and **Mr. Felix Mbayu** (Cameroon) were elected Vice-Chairmen and **Ms. Jana Simonova** was elected Rapporteur by acclamation.

**General debate**

3. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs) said that the terrible events of 11 September 2001 had cast a shadow over the opening of the General Assembly and marked the Committee's first meetings and the ongoing plenary debate. The tragedy had already given rise to numerous reactions within the United Nations and, as the Secretary-General of the United Nations and the Mayor of New York, Mr. Giuliani, had emphasized, the best way of dealing with the situation was to go on with one's work.

4. The Committee would, in the course of its work, have before it a mid-point review of the world economy. It would thus have access to an update of the forecasts contained in the World Economic and Social Survey. As it happened, all the forecasts for the first half of 2001 had had to be modified in the second half, not only by the United Nations but also by the International Monetary Fund (IMF) and other organizations. There would also be two panel discussions on, respectively, the current state of the world economy and issues on the agenda of the Ministerial Conference of the World Trade Organization at Doha. The updated information and the two Panel discussions would provide Committee members with the views of high-level experts on the future of the world economy.

5. The new mid-point review had been prepared on the basis of data collected in August and early September, which revealed a much more clearly defined slowdown than had initially been foreseen. Even before the attack of 11 September, industrial output had declined, business sectors and consumers had lost some of their optimism, share prices had dropped, capital markets were declining and developing countries were receiving less private foreign investment. At that stage, it was difficult to assess the impact of recent events beyond their direct repercussions on the travel and tourism sectors and it was too early to say whether the economic slowdown would ultimately slide into a recession. In all events, world growth was receding: rather than the 2.4 per cent estimated in the Survey, it would be closer to 1.4 per cent in 2001 with a possible upswing to 2 per cent in 2002.

6. It was in that general context that a number of questions concerning the work of the Committee should be placed. The first topic was globalization, which was the subject of an agenda item and had given rise to a high-level discussion. In the first half of the 1990s and practically up to 1997, the globalization of trade and finance had been perceived as the driving force behind economic growth. It had been thought that the global merging of those sectors would expedite the growth of production and investment and would therefore have a positive influence, even taking into account a number of less favourable aspects, such as the marginalization of certain countries or the social or environmental risks of the process. However, the financial crisis of the period from 1997 to 1998, had given rise to a first round of questions. Despite the bleak forecasts the world economy had been able to extricate itself — although the countries affected directly by the crisis had, indeed, suffered considerably — and, as from 1999, growth had picked up. The cause of the rapid revival had precisely been globalization; since growth had remained strong in the United States and other industrialized countries, the positive effects of the stability had rapidly been felt in many of the crisis countries. Globalization had thus passed its first major test by proving that it had another important benefit: it could help extract countries rapidly from a crisis provided that the pillars of the system remained sound.

7. The current scenario was radically different, because there was beginning to be an awareness of the disadvantages of economic integration; indeed, if the strongest economy, on which growth depended,

experienced, in its turn, a downturn owing to globalization, the shock wave would spread throughout the rest of the world. Developing countries were the most affected because, whereas ten years earlier, they had represented about a quarter of world trade, they now represented one third. According to preliminary estimates, a 1 per cent decline in growth in the United States reduced the growth rate in developing countries by about 0.4 per cent. On the other hand, there was every reason to welcome a new phenomenon, the general awareness that increasing interdependence required better coordination of macroeconomic policies. Thus, in recent months, the major industrialized countries had simultaneously reduced their rates of interest. That was an important element, which should be taken into consideration during the International Conference on Financing for Development in Monterrey.

8. After considering the role played by globalization in the contraction or expansion of normal cycles of activity in developed and developing countries, one should be concerned about the risks of vulnerability deriving from structural causes rather than cyclical fluctuations. Among the factors that could weaken economies were those relating to finance and investment (the extent to which capital movements could respond to the needs of development countries and countries in transition, the problem of international liquidity, which could limit the options open to developing countries), international trade (the case of countries that were dependent on the sale of certain raw materials, protectionism based on considerations other than those of a commercial nature), natural disasters, and vulnerability arising from the change from one economic system to another (countries in transition).

9. The concerns aroused by globalization had resulted in the demonstrations that had accompanied recent major international meetings. Such concerns did not differ greatly from those that could be heard at the United Nations: the repercussions of globalization on the environment and society, the marginalization of countries that were unable to take advantage of it, and the need to pay more attention to the viewpoints of the poorest countries and civil society when taking decisions. More importantly, the demonstrators had underlined that the means of applying pressure available under the multilateral system were inadequate and that it was necessary to find ways to allow the most marginalized countries to express their point of view on everything related to the management of globalization, in particular agreements concluded in the areas of trade and finance.

10. Among the other questions submitted to the Second Committee for consideration were the preparations for the International Conference on Financing for Development, which were well advanced but which must now produce specific draft conclusions; the preparations for the World Summit on Sustainable Development (Johannesburg, 2002), which, following a very fruitful process at the regional level and at the level of civil society, should take on a more international dimension in consultation with all interested parties; the triennial review of operational activities for development, which should cover several new needs, such as the need to abandon the coordination of development assistance so that development could be better integrated into national efforts; the need to give less attention to reforming methods in order to concentrate more on the concrete results to be achieved; and the need to cease focusing work merely on national implementation, but rather to help countries to have full control of programmes. To that end, the United Nations should pay attention to a new and significant means of development cooperation, namely partnership, and improve coordination between its cooperation efforts and the complex set of initiatives implemented by the recipient countries themselves. With regard to the question of Africa, which would be addressed in plenary meeting, the Second Committee should begin to prepare for the review of the implementation of the new Agenda for the Development of Africa, consider the new Initiative for Africa launched at Lusaka and make a practice of integrating Africa's problems into all its work. Lastly, it would be responsible for the follow-up to the United Nations Conference on the Least Developed Countries, which was also closely linked to the question of Africa's development.

11. **Mr. Belinga Eboutou** (President of the Economic and Social Council) said that the Second Committee was pursuing its work in a world characterized by uncertainty and anxiety on all fronts, particularly on the economic front. Recent events had reminded the members of the international community not only of their interdependence but also of the need to strengthen cooperation and solidarity in order to ensure equity, security and peace in the world. That was the objective

that the Heads of State and Government had assigned themselves in the Millennium Declaration; hence the importance of the deliberations in the General Assembly and the Second Committee in order to implement the Declaration, now that it had become the main instrument of international political will with regard to peace, security and development.

12. The General Assembly had on numerous occasions reasserted the central role of the Economic and Social Council in maintaining a consistent approach to economic and social cooperation. The Council, as the main forum for the discussion of international economic and social issues and the formulation of general policy recommendations, was the guarantor of consistency in international economic and social cooperation, in both legislative and operational matters. For that reason, the Heads of State had requested that the Council should be strengthened so that it could perform efficiently the functions entrusted to it by the Charter and work towards the implementation of the Millennium Declaration. During the past year, the Council had already taken several steps in that direction.

13. The July 2001 session had been the Council's first substantive session since the adoption of the Millennium Declaration, which had provided the backdrop for its discussions. That was particularly evident with regard to the place the Council had given to the development of Africa, one of the priorities of the Declaration, in its high-level segment on "The role of the United Nations in supporting the efforts of African countries to achieve sustainable development". The Ministerial Declaration adopted following the debate had given the United Nations a first opportunity to take into consideration the New African Initiative adopted by the African Heads of State at the thirty-seventh summit meeting of the Organization of African Unity in Lusaka.

14. It was in that Initiative — a genuine reference document for African development — that Africans had recognized that the development of their continent devolved on them, but that if it was to be successful, the help and solidarity of the international community were indispensable.

15. The standard and quality of participation in the high-level segment had helped to make the Council an important lever of United Nations system support for that major African initiative. The General Assembly, and more particularly the Second Committee, which was responsible for starting the preparations for the special session that the General Assembly intended to devote to the topic, would reinforce the process initiated by the Economic and Social Council.

16. At the same session, in its coordination segment, the Economic and Social Council had continued its consideration of the question of information and communication technologies (ICT). In its agreed conclusions, the Council had given strong support to the recently established ICT task force and recognized the importance of partnership between the public and private sectors for achieving the objectives of the United Nations in that regard. It was gratifying that the President of the General Assembly had decided to give priority to the development of Africa and to information and communication technologies; that would ensure the consistency and the impact of decisions by the General Assembly and the Economic and Social Council and strengthen the role played by the United Nations in those fields.

17. The Council had also dealt with a number of other items which would be referred to the Second Committee at its current session. Firstly, in its operational activities segment, the Council had cleared the ground for the triennial review of operational activities for development and made some recommendations which should facilitate the adoption by consensus of a resolution on the new orientation of the operational activities of the United Nations. Secondly, in the humanitarian affairs segment, the Council had stressed the need to give priority to increasing resources for development, which should not decline to give place to humanitarian activities. Thirdly, in its general segment, the Council had shown its determination to coordinate the activities of the United Nations system so that development remained a matter of priority within the coordinated and integrated follow-up to major conferences and world summit meetings. Lastly, in its concern to contribute to the implementation of the Millennium Declaration, the Council had selected as the theme of its high-level segment in 2002 "The contribution of human resources development, including in the area of health and education, to the process of development" and had decided to consider the question of the continued reinforcement of the Economic and Social Council in its humanitarian affairs segment.

18. The 2001 session of the Economic and Social Council had thus confirmed the new vitality of the Council as a forum for dialogue in which all actors and interested parties were helping to build the partnership needed to ensure that development policy was planned and coordinated in an innovative way. The Council had further taken the initial steps along the road towards the implementation of the Millennium Declaration. The General Assembly and its Main Committees would be able to follow on from that in working towards a better world.

19. **Mr. Asadi** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, said that economic growth had remained moderate since the end of 2000 and that there had been a significant decline in global output and trade led by a slowdown in economic activity in the developed countries. The sharp decline in the major equity markets in developed countries and financial problems in two major emerging markets had also adversely impacted the world economy. Furthermore, the terrorist attacks against the United States on 11 September 2001 would also have serious effects on the United States economy as well as on the global economy. The effects on the economies of developing countries were already discernible: declining commodity prices, reduced exports, stagnant capital inflows and tighter credit conditions. For the developing countries as a whole, the GDP growth rate was expected to drop from 5.7 per cent in 2000 to 4.1 per cent in 2001.

20. External financing conditions for the developing countries had not improved and the cost of their debt had increased over the past year. Financial flows to those countries had declined in 2000 and the terms and conditions of external financing continued to worsen. In addition, foreign direct investment had declined, and only a few developing countries benefited.

21. Nowhere was the impact of globalization more pronounced than in the area of development policies. Recent developments in the international monetary, financial and trade sectors clearly indicated how the economies of the developing countries were affected and how interdependence had become a fact of life. However, it was important for globalization to be seen as an interactive process and the result of policy choices and decisions, and as a process that must be harnessed and directed. Cooperation was an absolute necessity, especially between countries of the North and the South, in order to utilize the tremendous potential of the process for development by strengthening interdependence and multilateralism. The international community, and the United Nations in particular, should endeavour to make optimal use of the ongoing multilateral processes and upcoming major events in order to build a stronger partnership in the service of development.

22. External debt was another major challenge for most developing countries. Uganda was the only country to have reached the completion point under the HIPC initiative and thus was entitled to enjoy its full benefits. While the Group of 77 and China welcomed the launch of a floating completion point in the enhanced HIPC initiative and the commitment of an increasing number of creditor countries to cancel bilateral debt, it believed that the initiative should also be extended to low-income countries. Resources provided to that initiative should not be at the expense of other official development assistance flows, and new financing for HIPC countries should be in the form of grants or on highly concessional terms. The private debt of middle-income developing countries had increased in recent years, even though their total debt volume had remained virtually the same. There was therefore a growing consensus in the international community that private creditors should participate in the resolution of the debt crisis of emerging markets in order to allow them to restructure their debt. The decline in global official development assistance flows was of concern for developing countries, as these flows played an important role in the financing of their development activities.

23. The International Conference on Financing for Development, to be held in Monterrey, Mexico, was the most important multilateral process ahead for the international community and should have a significant impact on the major issues relating to development. The Conference should provide an environment conducive to a new international consensus on common goals for financing for development. It should address such major themes as the mobilization of resources, trade, financial flows and external debt, in addition to the reform of the international financial architecture. Moreover, the Conference must have a real and substantive final outcome.

24. The Group of 77 and China stressed the need for an equitable, secure, non-discriminatory and predictable multilateral trading system, which would enhance the development opportunities of the

developing countries and increase their participation in international trade. Trade was critical to development through its impact on growth, which was fundamental in overcoming poverty and vulnerability. The liberalization of international trade under the World Trade Organization (WTO) rules was a powerful and dynamic force for accelerating growth and development. The Group was, however, concerned that the benefits of the existing multilateral trading system continued to elude most developing countries. Progress towards full liberalization in certain sectors essential to those countries was lagging, and significant imbalances remained in multilateral trade agreements and in conditions of market access. The persistence of those anomalies could erode the confidence of the developing countries in the multilateral trading system and strengthen the influence of those who wished to retreat into misguided protectionist policies and approaches. It was therefore essential to restore confidence in the multilateral trading system through the full participation of developing countries and the full implementation of the Uruguay Round agreements. It was also important to ensure transparency and to avoid placing issues on the agenda of the World Trade Organization that were not trade-related. The Fourth Ministerial Conference of WTO, to be held in Doha, Qatar, should make significant progress in that regard.

25. The Programme of Action for the Least Developed Countries for the Decade 2001-2010, adopted at Brussels, contained a wide range of measures, in various areas, that seemed quite achievable. The problem was due not to a lack of measures and decisions, but to a lack of follow-up and implementation. The goal of halving poverty by 2015 could not be attained without full implementation of the commitments undertaken at the Third United Nations Conference on the Least Developed Countries, particularly in the areas of trade and mobilization of financial resources. The Group of 77 stood ready to advance the objectives of the Programme of Action with a view to accelerating growth, development and the eradication of poverty in the least developed countries and to work in partnership with all stakeholders within the framework of South-South cooperation to contribute to the implementation of the Programme of Action. In that connection, it must be emphasized that new resources would be needed and the Group of 77 and China called on the developed countries and on the United Nations system and other multilateral organizations to live up to their commitments.

26. The Group of 77 and China attached great importance to the World Summit on Sustainable Development and its preparatory process. The Summit should provide a unique and exceptional opportunity for the international community to undertake a comprehensive assessment of achievements, constraints and shortcomings in the implementation of Agenda 21, a decade after the United Nations Conference on Environment and Development. The Summit should aim at the removal of obstacles to the implementation of the commitments undertaken at Rio and, in particular, provide the developing countries with adequate financial and technological support. It should result in concrete measures with a specific timetable for their implementation and the principle of common but differentiated responsibilities should continue to be the guiding principle for its deliberations.

27. Within the framework of the preparatory process for the World Summit on Sustainable Development, the Group of 77 had been deeply engaged in the ongoing discussions on international environmental governance. In its view, the proper, overall context for international environmental governance was sustainable development. It was only within that broad conceptual framework that the delicate balance between the three pillars of sustainable development could be ensured. While it was necessary to strengthen the United Nations Environment Programme (UNEP), the Commission on Sustainable Development, which was a unique forum for high-level policy dialogue on sustainable development, should also be strengthened. Moreover, the views of other agencies and institutions could also help to enrich the ongoing discussions on international environmental governance and to contribute to the final outcome of the process. It was also incumbent upon the Conference of the Parties to the United Nations Framework Convention on Climate Change, which was due to be held in Marrakech, Morocco, to consolidate the gains achieved at Bonn and to persevere in their commitment, maintain their dynamism and translate the political agreement into solid legal language. On the subject of the environment and sustainable development, the Group of 77 and China were indeed pleased with the adoption at the first substantive session of the United Nations Forum on Forests of a multi-year programme of work and a

plan of action. They also wished to emphasize the necessity of providing the United Nations Convention to Combat Desertification with adequate, predictable and stable financial resources. In that connection, they welcomed the recent decision of the Global Environment Facility (GEF) to finance projects aimed at combating land desertification and believed that the Facility should become the standing financial mechanism of the Convention. They believed, further, that the global mechanism should make every effort to fulfil its role as defined in the Convention, which was the mobilization of financial resources, and that it was necessary to establish a body to monitor the implementation of the Convention on a regular basis.

28. The overall environment for United Nations development cooperation activities had changed substantially in recent years, to a large extent as a result of the globalization process. In that new environment, the needs of programme countries had changed and increased, while official development assistance had declined or been stagnant. The Group of 77 and China believed that poverty eradication should continue to be the main pillar of operational activities and that the United Nations system could play a key role in the design and implementation of relevant programmes and projects for achieving that major objective. Funding for those activities should be sufficient, secure and stable, be provided on a predictable, continuous and assured basis and be commensurate with the increasing needs of developing countries. Lastly, programme countries should participate fully in all stages of the design, implementation, monitoring and evaluation of development programmes and projects.

29. **Mr. De Ruyt** (Belgium), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, and, in addition, Turkey, said that the fundamental values of the United Nations had been subjected to a cowardly attack, there in New York itself. In the space of a few seconds, on 11 September 2001, the international community had come face to face with horror. Globalization with a human face, as it was advocated in its basic meaning of a community of values, tolerance and respect for life, had suffered an unacceptable attack. There was worldwide indignation. The sorrow, disgust and horror felt since 11 September were shared by a community of democratic countries fully supported by the European Union. Those appalling acts were an attack not only on the United States but on humanity as a whole and on the values and freedoms common to all humanity. The European Union wished to express its unlimited solidarity with the wounded country and would join in acting together against the scourge of terrorism and fanaticism.

30. All international organizations, and particularly the United Nations, must take part in the fight against that new form of terrorism. Chronic underdevelopment and poverty were sometimes a breeding ground for extremism. Constant poverty, a deficient education system and an oppressive political climate could give rise to fanaticism. By pursuing its work on sustainable development, the Committee could contribute indirectly to restoring the values of freedom and tolerance which were intrinsic to globalization with a human face.

31. Exactly one year previously, the heads of State had come together in support of a long-term project, humanizing that globalization by 2015. At the Millennium Summit, the international community had unequivocally reaffirmed its commitment to the universal aims of the United Nations and to development goals in general. In a chapter of the Millennium Declaration on development and poverty eradication, Member States had approved an action plan and precise goals. The Declaration should serve as a guide for the Committee's activities during the current year and in years to come.

32. The essential message of the Millennium Summit might be seen as an awareness at the highest level of the intolerable character of extreme poverty, which was defined not only by a lack of income and financial resources, but also by the notions of vulnerability and helplessness. Bad governance, corruption and squandering of resources took a heavy toll among the poor, who were vulnerable to natural disasters and who lacked schools, health care and jobs. Poverty reduction strategies should therefore include all those dimensions, focusing as a priority on the consolidation of the democratic process, peace and conflict-prevention and strengthening government institutions, particularly the economic, financial, legal and public administration infrastructures. Issues such as respect for human rights or equality between men and women contributed powerfully to the emergence of a stable environment favourable to the promotion of human development. The European Union would reflect that

multifaceted and integrated vision of the fight against poverty when the Committee came to discuss globalization and interdependence. For the European Union, good governance was primarily national; of course, that did not exclude open debate on its international implications.

33. In the Millennium Declaration, the European Union reaffirmed its commitment to an open, equitable, predictable and non-discriminatory multilateral trading system. That concern would be reflected both in the preparatory process for the International Conference on Financing for Development and in resolutions relating to trade and to the financial infrastructure. The European Union stressed the importance that it attached to the need for consistency in the international system, particularly between the United Nations and the Bretton Woods institutions, as well as with regional organizations and the United Nations regional commissions. It also hoped that the fourth World Trade Organization (WTO) Ministerial Conference in Doha, Qatar, would see the launch of a new round of multilateral negotiations in which the development dimension would be fully taken into account.

34. The European Union was aware of the urgent need to finance the commitments made at the Millennium Summit. It believed that that financing would be primarily domestic, both public and private. However, it recognized the irreplaceable character of official development assistance (ODA), particularly for the least developed countries. The European Union provided more than half of all ODA and financed half of all United Nations operational development activities. He reiterated the need to intensify efforts to achieve the ODA goal of 0.7 per cent of gross domestic product (GDP) for all donor countries and recognized that that meant reversing the declining ODA trend worldwide. He urged partners able to do so to participate in that global act of solidarity.

35. With a view to mobilizing resources, the European Union would make every effort to ensure the success of the preparatory work for the International Conference on Financing for Development. The Preparatory Committee would meet as from 15 October 2001, and the subjects to be discussed there were also on the Committee s agenda. It was essential to ensure the greatest possible consistency between those two processes in order to avoid contradictions. The European Union considered that the Monterrey Conference should lead to improved mobilization of national and international resources and greater policy consistency in order to achieve the aims of sustainable development. It should also ensure more effective cooperation between all players in the development field in the form of a true partnership between Governments, the United Nations, the Bretton Woods institutions, other international organizations, the private sector and civil society as a whole. In that context, a debate on global public goods must also be launched. The European Union was ready to examine their importance and role at the Conference.

36. As in the Millennium Declaration, the European Union reaffirmed that the first priority must be the problems of Africa and of the least developed countries. It was the largest trading partner of those countries and had committed itself to opening its markets to all their products with the exception of weapons. It was the largest ODA donor to those countries and would attempt to increase the effectiveness of that aid.

37. He reaffirmed the importance that the European Union attached to implementation of the action programme of the United Nations Conference on the Least Developed Countries at the national and regional levels. The European Union was counting on the effective participation of all United Nations organizations in implementing the commitments that had been made. It was essential to continue the debate on ways of following-up to the Conference that had started in Brussels. The European Union remained in favour of a form of follow-up that would raise the political profile of the least developed countries and was ready to endorse their request for the appointment of a high-level representative of the Secretary-General. Follow-up to the Conference on the Least Developed Countries should also be included in the agenda for the Economic and Social Council on a regular basis.

38. At the Millennium Summit, the heads of States had reaffirmed that the enhanced programme of debt relief for the heavily indebted poor countries remained an essential element of the fight against poverty. In the current year, the accelerated implementation of that initiative had enabled 23 beneficiary countries to commit newly freed resources to financing education and health. The European Union once again called on the countries concerned to take the necessary political and economic steps to become fully part of that process. It also called on creditor countries to share the burden of financing the programme in an equitable

fashion. The mobilization of additional resources should not be to the detriment of other channels for development aid.

39. The Second Committee should contribute to the eventual realization of the quantifiable goals set at the Millennium Summit. Besides poverty reduction, the international community had given specific commitments to ensure that by 2015 boys and girls would have equal access to primary schooling and had also resolved to reduce maternal mortality by three quarters, to reduce child mortality by two thirds, to restrict the spread of HIV/AIDS, malaria and tuberculosis, and to improve the conditions of 100 million urban poor by 2020. The European Union considered the issue of gender equality to be an essential dimension of sustainable development. A number of resolutions on those issues would be adopted by the United Nations. The European Union wished to express its determination to maintain political momentum on the subject of children in connection with negotiations on the final document of the special session of the General Assembly on the follow-up to the World Summit for Children. That session had been postponed for reasons that were well known. The European Union would maintain its priorities on the fundamental questions raised in that document, namely, an approach in accordance with the rights of the child, and the upholding of the results of conferences concerning reproductive health.

40. The operational activities of the United Nations had an important role to play in achieving development goals. The European Union would work on the triennial review of operational activities with recipient Governments and other development partners. Exchanges of views during the latest operational activities segment of the Economic and Social Council had revealed a wide consensus on the key concepts for those activities. The European Union was also confident that that consensus would make it possible to reach a new stage in the development of a more effective and better-performing United Nations operational system, in particular through a greater synergy between funds and programmes. Those funds and programmes, together with the specialized agencies and the international financial institutions, would have a fundamental role to play. Their already close cooperation in the context of common country assessments, the United Nations Development Assistance Framework and poverty reduction strategy papers should be intensified and their procedures harmonized where appropriate. The European Union welcomed the new Initiative for Africa which, like the poverty reduction strategy papers, was based on the principles of ownership and coherence between donors and international organizations.

41. The Second Committee would be examining the report of the Economic and Social Council. On that occasion, the European Union hoped to highlight the conclusions of the Council's summer session inasmuch as they had a clear link with the discussions that would take place in the Committee. In particular, the Union hoped to reaffirm the importance that it attached to the process of following up conferences. The Economic and Social Council was responsible for regularly assessing and coordinating the application of and the follow-up to the action programmes of the major United Nations conferences. The European Union was convinced that the major conferences should no longer give rise to mechanical or ritual follow-up exercises. The negotiated results should preferably be more concise and operational. The Union welcomed the Council's decision to carry out a serious examination of its working methods during the coordination segment in 2002. That reform responded to the wish expressed by Member States at the Millennium Summit: to reinforce the Council so that it was able to fulfil its mandate of coordinating the system in the economic and social field.

42. The Millennium Declaration also pointed out that the current unsustainable ways of consuming and producing must be changed in the interests of the well-being of the present and future generations. It included a number of commitments concerning, in particular, the implementation of the Convention on Biodiversity and the Convention to Combat Desertification; the management, conservation and sustainable development of forests; the entry into force of the Kyoto Protocol; the cessation of the unsustainable exploitation of water resources; and the intensification of cooperation to reduce the number and effects of natural and man-made disasters.

43. The European Union attached the greatest importance to the success of the World Summit on Sustainable Development to be held in Johannesburg, the strengthening of global environmental governance, the entry into force of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the actions of the Intergovernmental Forum on

Forests. The Johannesburg Summit, in particular, should make concrete commitments. It could reaffirm international development goals and the goals set in the Millennium Declaration and adopt measures to ensure their consistent implementation. It was important that the Summit should address the economic, social and environmental dimensions of sustainable development in a balanced and mutually beneficial manner. It could make the eradication of poverty and the promotion of sustainable methods of production and consumption its principal goals. The concern for gender equality should be taken into account in all the preparations. Specific initiatives could also be taken in areas such as fresh water, energy, soil degradation and biodiversity. In that regard, the Union had identified the possible main themes for the Summit, which might serve as a preliminary basis for discussion in the future: protection of the natural resources that were the base of economic and social development; integration of the environment and poverty eradication; making globalization serve sustainable development; and improving governance and participation. With regard to the environment, the General Assembly had a role to play by encouraging and promoting coordination and consistency, but it should not prejudge the various processes under way. It must, however, be kept informed about the regional preparatory processes for the Johannesburg Summit and about the process launched by the Global Ministerial Environment Forum.

44. The Secretary-General of the United Nations had for several years presented himself as an advocate of partnership with civil society and, in particular, the private sector. The European Union also believed that the support of the world of business could usefully serve development and the values upheld by the United Nations. It could also be a source of efficiency and progress on the road to a more equitable sharing of the fruits of globalization. The resolution on global partnerships to be discussed in plenary would have a direct impact on the Committee's work.

45. He reiterated the Union's desire that work should be organized in a transparent and efficient manner in keeping with the rules of procedure. Given the very special nature of the proceedings at the current session, some flexibility would need to be shown, but the Union would press for adhering to the procedures for the submission of draft resolutions, particularly with regard to deadlines.

46. **Mr. Benmehidi** (Algeria) said that his country, which for the past 10 years had endured the violence and barbarity of terrorism, strongly condemned the terrorist attacks against the host country and assured the American people of his delegation's sympathy and solidarity. He expressed his condolences to the United States delegation.

47. He associated his delegation with the statement made by the representative of Iran on behalf of the Group of 77 and China. It was no accident that the second high-level dialogue on strengthening international economic cooperation for development through partnership, which had just concluded, had emphasized the need to integrate the developing countries into the globalized economy and to adapt measures to combat poverty and pandemics to the agreed goals. Since globalization seemed to be the irreversible new economic order, the international community should ensure that all of humanity could benefit from its advantages. Accordingly globalization should be seen as the natural outcome of development in all its dimensions. The fight against poverty was a priority which called for unreserved will and determination on the part of the international community. Admirable as the efforts of the international community undoubtedly were, they fell short of the need and there was still a striking imbalance between responsibilities and resources.

48. That being so, the work of the current session should contribute to the success of the next two events on the calendar, the International Conference on Financing for Development, to be held in Monterrey, Mexico, in 2002, and the World Summit on Sustainable Development, to be held in South Africa in 2002. His delegation strongly believed that limited resources contributed an obstacle to development and it therefore considered the Monterrey conference to be a unique opportunity to develop appropriate and effective mechanisms to overcome underdevelopment and poverty, reduce the North-South divide and set the developing countries on the path of sustainable growth and development. The countries of the South were suffering the consequences of foreign debt, the fall in official development assistance, the weakness of direct foreign investment, the drop in prices of raw materials and their limited participation in world trade. The World Summit on Sustainable Development gave the international community a chance to take stock of the situation as it had developed since 1992, renew the

commitments made in that year and examine every aspect of sustainable development.

49. His delegation considered that the New African Initiative launched by Algeria, South Africa and Nigeria, which aimed to stimulate growth in Africa, should be adopted by all developing countries. The Initiative, which laid particular emphasis on national efforts, underpinned by foreign aid, aimed to phase out the developing countries' reliance on such aid.

50. Following the recognition by the United Nations that health was a decisive factor in development, he welcomed the establishment of a global fund on AIDS and health. He also welcomed the work of the Commission on Science and Technology for Development Working Group on Information and Communication Technologies.

51. Lastly, he expressed concern that resources were diminishing even as many new needs became apparent. Stable and secure financing must be provided for United Nations operational activities. Also, to ensure the success of programmes, they should be controlled and led by their beneficiaries, who should be associated with them at every stage.

52. **Mr. Shamshad Ahman** (Pakistan) said that globalization, a source of prosperity for some, and a cause of impoverishment for others, was a highly controversial issue. Aware of the problem, in 2000, world leaders launched an appeal for globalization to become a positive force, beneficial to all, in order to create a new world free from poverty. The Millennium Declaration had indicated the path to follow and identified development goals. When the world leaders were making those commitments, the economic results were at their best in the last 15 years; thus, the targets were achievable and the hopes of attaining them were realistic. Since then two important events had changed the global economic scene: the downturn in world economic growth and the terrorist attacks of 11 September 2001, which would profoundly affect the economy of the United States and have ripple effects on the economies of other countries. Those two events had far-reaching implications for the efforts to attain the goals of the Millennium Declaration and would worsen the economic situation in the developing countries which had already been weakened by the negative impact of globalization. The economic slowdown was foreseeable, because it was evident that rapid economic growth in a handful of countries was not sustainable in the general climate of poverty and underdevelopment that reigned throughout the world. However, world leaders, if they had the will, could make sure that globalization benefited everyone.

53. The Pakistani delegation considered that economic asymmetries could not be corrected unless all the stakeholders committed themselves fully, through cooperation. It was clear that the International Conference on Financing for Development provided a unique opportunity to harmonize sustainable development policies. Despite the critical role of official development assistance (ODA), it continued to decline; direct foreign investment had not produced the desired effect. It was therefore necessary to establish partnership mechanisms between the public and private sectors and stabilize private sector financial flows to developing countries.

54. His delegation recalled that the economic situation of developing countries was weakened by their debt burden, and reiterated that the proposal to divert the money intended to service the debt to the social development budget merited serious consideration. Since decisions taken by the Bretton Woods institutions had an impact in all countries, he called upon them to act transparently and be more sympathetic towards development goals.

55. In order for the advantages of trade liberalization to benefit everyone, the developed countries should eliminate the trade barriers they impose on products from developing countries. In that respect, his delegation considered that only a constructive and benevolent approach by the participants would ensure the desired results at the upcoming meeting of the World Trade Organization at Doha.

56. In view of the immense challenges of sustainable development, the delegation of Pakistan urged Member States to implement an integrated approach, based on the principle of shared responsibilities; he expressed the hope that the World Summit on Sustainable Development would be a decisive step in that direction. The United Nations had a meaningful role to play in addressing the harmful effects of globalization and should be given the means necessary to do so.

57. **Mr. Davison** (United States) said that, in a rather gloomy global economic environment, it was necessary to focus on the essential issues of economic growth and development. Since investment and financial assistance flows were declining, it was increasingly necessary to

make the best use of available resources. The new round of multilateral trade negotiations would expand the possibility of developing global trade and investment and thus serve as an engine for growth and poverty alleviation. To that end, the United States was collaborating with its partners with a view to launching a new round of World Trade Organization negotiations in November 2001 at Doha (Qatar). Discussions on agriculture and services were critical for the least developed countries of Africa in which those two sectors played a key economic role.

58. The discussion on development should focus on the results of development efforts. Macro-economic stability and the opening of the economy were factors that had proved essential for sustainable development growth, but, in themselves, they were clearly not sufficient. It was therefore the role of the International Conference on Financing for Development to provide developing countries with realistic advice enabling them to reformulate domestic policies and review regulatory constraints that were currently hampering the growth of the private sector and discouraging foreign investment. It was necessary to ensure the participation of everyone in the political and productive economic activity of beneficiary countries and give more attention to the quality of governance. Indeed, divisions had consequences that transcended borders and violence was the antithesis of development. The countries enmeshed in armed conflict were those least able to meet the basic human needs of their populations. The United States remained firmly committed to taking bilateral and multilateral measures aimed at supporting developing countries in their efforts to raise the standard of living of their citizens.

59. With regard to bilateral assistance, he pointed out that the United States, through the Agency for International Development's Global Development Alliance, has engaged in initiatives designed to address development challenges around the world. As part of the implementation of the African Growth and Opportunity Act, a forum for trade and economic cooperation had been created to discuss measures that the United States and African nations could take together to stimulate economic growth and trade, and to enhance democracy and economic and political governance, all key ingredients in any programme to alleviate poverty in Africa.

60. The United States continued to work closely with international organizations on measures to help the poorest countries derive greater benefit from participation in the world economy. Along with the International Monetary Fund and the World Bank, it was a full partner in the enhanced programme of debt relief for the heavily indebted poor countries. It wanted to help the poorest countries meet their basic needs without going more deeply into debt.

61. Within the United Nations system, it was the United States that contributed the most to the United Nations Children's Fund (UNICEF), to humanitarian assistance and to peacekeeping operations. Its support for the United Nations Development Programme (UNDP) was also extensive.

62. His Government was determined to pursue sustainable development efforts, but believed that the solution to the problem lay in national efforts, not aid programmes. Thus, the International Conference on Financing for Development would prove useless if it focused on international action, when the key to development was to be found at the national level.

63. **Mr. Ragab** (Egypt) said that the eradication of poverty and the achievement of sustainable development for all was the responsibility of both North and South. What was needed was the establishment of a partnership based on international solidarity and the principles and objectives of the Charter of the United Nations and the Millennium Declaration. The problems created by globalization could provoke a genuine crisis of confidence among the world's people as they saw poverty worsening, income unequally distributed within and among countries and international financial and commercial markets prey to instability at a time when the international community had never had such economic and technological means at its disposal.

64. Globalization was not a question simply of markets; it affected the well-being and the future of peoples. It was therefore necessary to agree on ways of coming to terms with it by maximizing the benefits it offered and dealing with its negative aspects. The reproach was heard that globalization served the interests of the multinational corporations and widened the gap between rich and poor. Its defenders argued that globalization per se was not responsible for the accompanying advantages and disadvantages, which instead stemmed from the nature of the policies

pursued nationally and internationally; and that the democratic nations respectful of human rights were the ones in a position to derive benefit from globalization. In actual fact, economic and social rights had to go hand in hand with political rights, and if the developing countries were not well placed to benefit from globalization, that was mainly because of the structural shortcomings of the international economic order. For instance, Africa, which aimed to reduce by half the number of its poor by the year 2015, had to achieve at least a 7-per-cent growth rate in order to do so; but that would be possible only if, in conjunction with the reforms carried out by the African countries, the developed countries opened their markets to African exports and gave them the promised official development assistance, and if they applied a radical, definitive solution to the question of indebtedness that went beyond what was envisaged under the heavily indebted poor countries initiative.

65. Past experience had shown that integration into the world economy was not enough to achieve development: international institutions had to be made more effective and public affairs have to be managed better nationally, but also internationally. Hence the need to make the decision-making process more democratic in international institutions, starting with the United Nations.

66. The moral, humanitarian and political responsibility for bringing about development fell to the countries of both the North and the South. Development was the fastest route to assuring the well-being of all and ensuring international peace and security. It was therefore urgent to harmonize the policy pursued by the United Nations with that being applied by the Bretton Woods institutions and WTO; otherwise, the efforts made by the international community would have no impact and the goals set by the United Nations conferences could not be achieved.

67. Many United Nations resolutions dealing with the world economy were not applied in practice, and that was unacceptable. Such a situation posed a grave threat to multilateral international cooperation, especially when the resources available to the United Nations to promote development were dwindling, as evidenced by the sharp decline in UNDP resources.

68. The goal of sustainable development for all required that a solution be found to the debt problem of the developing countries, the liberalization of the trade polices of the industrialized countries be encouraged, especially in sectors of interest to the countries of the South such as agriculture and textiles, the prices for raw materials stabilized, development assistance increased and the transfer of technology promoted, so as to reduce the growing gap between North and South which was the greatest threat to the developing countries. Egypt attached great importance to the International Conference on Financing for Development to be held in Mexico in March 2002, and hoped that the participants would be successful in finding the sources of funding needed for the development of third-world countries and in instituting a new international order of financing for development that would be highly realistic and take into account the situation of the developing countries. It hoped that the Fourth Ministerial Meeting of the World Trade Organization to be held in Qatar would help to inaugurate a fairer international trade system by fully applying the Uruguay Round agreements, particularly as regarded opening the door to exports from the developing countries.

69. His delegation was following with interest the preparations for the World Summit on Sustainable Development, believing that it would mark a turning point by allowing priorities to be re-examined at all levels with a view to achieving sustainable development in its three dimensions — economic, social and environmental. It was important to reaffirm the principle of the developing and industrialized countries having shared and distinct responsibilities. It was to be hoped that the Summit would not spread itself too thinly and would address a limited number of issues in depth, giving emphasis to the specific measures to be adopted and the financing required to that end. His delegation also hoped that the resources of the Global Environment Facility would be increased so that it would be in a better position to assist developing countries in carrying out environmental protection projects, especially those involving the fight against desertification. Moreover, it was important to support UNEP, not by making it a global environmental organization, but by following up commitments made in the past while endeavouring to strengthen the foundations of environmental activities within the United Nations, especially by defining more clearly the programme of work of the Commission on Sustainable Development in the light of the lessons learned.

70. **Mr. Lavrov** (Russian Federation) said that the tragic events of 11 September 2001 in New York and Washington highlighted the acuteness of the global problems raised by international terrorism, which presented not only a political and legal challenge but also a social and economic one that could significantly hinder the sustainable development of States. In addition to the loss of life and physical damage, international terrorism led to political instability, which was inimical to harmonious development of States, and made it necessary to devote huge human and financial resources to combating that scourge and eliminating its consequences. Because of its close links to organized crime, especially drug trafficking, terrorism undermined sustainable development.

71. The past year had shown that the United Nations could make an exceptional contribution to coordinating the efforts of the international community to solve problems relating to sustainable development in the context of globalization. The United Nations was playing a leading role in the mobilization of international cooperation, particularly in such areas as information and communication technologies, combating HIV/AIDS and providing assistance to the least developed countries and Africa. With regard to globalization, there was a need for a unified strategy, encompassing both the United Nations system and other international organizations, such as the Bretton Woods institutions and WTO, as well as reputably partners from civil society.

72. Globalization significantly increased the role of international trade as one of the main sources of funds for sustainable development, and it was therefore essential that terms of access to world markets for goods and services should be stable, predictable and non-discriminatory. The unjustified use for protectionist purposes of anti-dumping mechanisms and attempts to arbitrarily apply international standards with a view to limiting the natural advantages of exporters from developing countries with economies and countries in transition were of particular concern.

73. There was a need to strengthen the universality of the multilateral trading system by expanding the membership of WTO; however, the terms of admission for new States should not exceed the level of obligations of the existing members. In order to make effective use of the potential of globalization, the international financial system must be stabilized, and that called for efforts to protect and prevent financial crises and to strengthen the infrastructure of national financial and banking sectors.

74. From that perspective, the forthcoming International Conference on Financing for Development was called upon to work out an international consensus, with the participation of the United Nations, the Bretton Woods institutions and WTO, aimed at creating a favourable external and international environment for increasing the flow of financial resources to the developing countries and countries with economies in transition.

75. Globalization, however, aggravated the debt problem, especially for the poorest countries. His country, as one of the largest creditors of that group of countries, was making a significant contribution to the implementation of the IMF and World Bank Highly Indebted Poor Countries Debt Initiative (HIPC), and the Russian-owned part of the debt of those countries would be reduced by about $28 billion. That would make his country the leader among the G-8 countries in terms of the implementation of the Initiative relative to its GNP. At the same time, his country was itself highly indebted, and the servicing of its foreign debt impeded the achievement of its social and economic goals. Its partners for international financial and economic cooperation should take that into account.

76. His country had been one of the first among the G-8 countries to abolish customs duties on imports from the least developed countries, which would make a tangible contribution to the implementation of the relevant provisions of the Millennium Declaration, the decisions of the Genoa Summit (A/56/222-S/2001/736), and the Brussels Declaration of the Third United Nations Conference on Least Developed Countries.

77. A decade had elapsed since the Rio Conference, and while much had been done to ensure sustainable development, the issue was no less urgent than before. The World Summit on Sustainable Development to be held in Johannesburg in 2002 should open up good prospects for a joint search for ways to resolve issues relating to sustainable development; it was important, however, to ensure that multilateral negotiations were based on a comprehensive and rational approach, one that enhanced complementarity and synergy. His delegation was participating actively in the work of the Preparatory Committee for the Summit and in the preparatory process launched at the regional and

subregional levels, it had established a national preparatory committee to coordinate such work.

78. The implementation of the Kyoto Protocol to the United Nations Framework Convention on Climate Change was encountering difficulties; the conference in Bonn had yielded generally satisfactory results as far as his delegation was concerned, but it was important to ensure the official adoption of the entire set of documents at the Conference of the Parties, which should make it possible to proceed to the practical implementation of the Protocol. Those documents should adequately reflect specific interests of the countries with economies in transition; that was essential to the prospects for his country's ratification of the Kyoto Protocol.

79. The President of the Russian Federation, Vladimir Putin, had taken the initiative to convene a global conference on climate change in Moscow in 2003, and the idea had been endorsed at the Genoa Summit. The conference was closely related to the Kyoto process.

80. His delegation supported the efforts to strengthen the operational activities of the United Nations, which meant, first of all, the financial basis of such activities must be as predictable and stable as possible, while preserving the voluntary nature of contributions and observing the principle of universality. The reduction in financial resources provided to the United Nations for development should not be used to justify a departure from those principles. There was a need to strengthen cooperation between the United Nations operational system and the Bretton Woods institutions, particularly at the country level. Those institutions were actively involved in the common country assessment process and the implementation of the United Nations Development Assistance Framework: that was a promising area of cooperation.

81. The Russian Federation supported the ideas of the Secretary-General concerning the strengthening of cooperation with the private sector: a broad framework should be elaborated to that end. A round table with the participation of representatives of Russian business circles and heads of a number of United Nations agencies would be held in Moscow in November with a view to developing mutually beneficial cooperation between Russian companies and the United Nations, and identifying opportunities for their participation in the Global Compact.

82. As for the economic situation in the Russian Federation, for the first time in more than 30 years, the gross domestic product had risen by 8.3 per cent and was expected to rise by 5 or 6 per cent in 2001. For the first time, the State budget showed a surplus and the Russian Federation was paying its foreign debts. Tax reform was well under way. Its income tax rate was the lowest in Europe (13 per cent) and the corporate tax rate was modest (up to 24 per cent). Efforts were being made to ensure the financial transparency of enterprises, combat money laundering, elaborate a set of laws to free the economy of bureaucracy and fight corruption. Thus, the Russian economy was steadily recovering; that, combined with internal stability, a huge internal market and tremendous intellectual and economic potential made the Russian Federation a very attractive partner.

83. **Mr. Motomura** (Japan) noted the importance of the International Conference on Financing for Development, to be held in March 2002. One of its major goals would be to contribute to achieving peace and prosperity in the twenty-first century. Since interdependence was a salient feature of the current economy, world prosperity was not possible without the economic development of developing countries. The world economy was becoming less vigorous, however, and the International Conference would be an opportune time to examine ways and means of mobilizing and utilizing resources for development. It would provide an opportunity to consider national, international and systemic issues in a holistic manner with the participation of a wide range of stakeholders, with an overall view to, inter alia, halving the proportion of people living in poverty by 2015.

84. It was important for the Conference to seek practical ways and means of mobilizing and utilizing resources for development. It should therefore consider proposals from the viewpoint of their effectiveness and feasibility. Unfortunately, a consensus had not yet been reached on ways of mobilizing and utilizing such resources. During the meetings of the Preparatory Committee, many delegations had been of the same view with regard to the importance of human resource development. In order to promote domestic savings, attract foreign investment, increase trade revenue, manage external debt and make the most effective use of official development assistance, developing countries needed to have essential human resources and, therefore, to train experts in those fields. His

Government believed that the Conference should make human resources one of its major themes. The time remaining before the Conference must be used wisely, and Japan hoped that differences of opinion could be overcome through dialogue.

85. The Prime Minister of Japan, Mr. Koizumi, had implemented an important structural reform programme. In a speech before the Japanese Diet, he had stated that "[the Japanese] nation had a responsibility to the world to revitalize [its] economy". To that end, convinced that without drastic structural reform, there could be no recovery of the Japanese economy, his Government had resolutely embarked on the path of structural reform, which would leave no part of Japan's social and economic structure untouched.

86. That would involve, in particular, disposing, for once and for all, of non-performing loans which inflated bank balance sheets, creating a more competitive economic system and revamping the tax system. While that policy could affect official development assistance provided by Japan, his Government would continue to attach great importance to such assistance, which was a major contribution to the international community. It was well aware of the need to minimize any impact of such structural reform on the economies of the developing countries. Since the early 1990s, the Japanese economy had been suffering from a complex illness resulting from the confluence of various problems. If it recovered its vigour through structural reform, Japan would be able to contribute more actively to the development of developing countries through increased imports and investment. The Japanese economy, which represented approximately 14 per cent of the world's aggregated gross national product, could make a significant contribution to the revitalization of the world economy, including the economies of developing countries. He appealed to Member States to show understanding at a time when his country was undertaking its major structural reform programme.

*The meeting rose at 1.10 p.m.*

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## Second Committee

**Summary record of the 4th meeting**
Held at Headquarters, New York, on Monday, 1 October 2001, at 3 p.m.

*Chairman:* Mr. Seixas da Costa ..... (Portugal)

## Contents

General debate (*continued*)

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01-55795 (E)

*The meeting was called to order at 3.05 p.m.*

**General debate** (*continued*)

1. **Mr. Ahsan** (Bangladesh), speaking on behalf of the Group of Least Developed Countries, observed that the lack of resources had been shown to be the universal stumbling block to achieving the goals set out in the various programmes of action adopted by the major global conferences of the past decade touching on aspects of sustainable development. When trade and development issues were considered at the upcoming International Conference on Financing for Development and fourth Ministerial Meeting of the World Trade Organization (WTO), the need to mobilize resources should be faced squarely.

2. The least developed countries in particular required greater access to the global markets. They had opened up their own markets with the expectation of reciprocal treatment and long-term benefits; these however, had yet to materialize. Except for the European Union's "Everything but Arms" initiative, they had not been granted the duty-free treatment needed to remedy their external trade situation. Instead, they faced tariffs that were actually 30 per cent higher than the global average, and had to contend with non-tariff barriers such as quotas and antidumping measures against the few products they could produce.

3. The Preparatory Committee for the International Conference must focus on integrating the agreements that had been reached at the Third United Nations Conference on the Least Developed Countries by settling on an implementation mechanism favourable to the least developed countries and translating the pragmatic programme of action adopted at that Conference into action. The time for procrastination was long past.

4. **Mr. Shen** Guofang (China) said that the proper approach to the development goals set out in the United Nations Millennium Declaration was crucial. States themselves must make an effort inter alia by establishing a political and economic system suited to the conditions in their respective countries and by adopting sound macroeconomic policies. However, favourable external conditions were equally necessary; the current international economic system must be reformed to meet the challenges of globalization and growing interdependence among countries and made more equitable by increasing the decision-making power of the developing countries.

5. Sufficient funds were the key to fulfilling development goals. If each member country of the Organisation for Economic Cooperation and Development (OECD) met the official development assistance (ODA) target of 0.7 per cent of its gross national product (GNP), that would be enough. The forthcoming International Conference on Financing for Development should, accordingly, develop a comprehensive strategy for mobilizing resources, make substantive commitments and take steps to deal with the external debt of developing countries.

6. Trade, too, had an important role to play in economic development and poverty eradication. Thus far the elimination of trade barriers had primarily benefited the developed countries. He therefore appealed to those countries to fully implement the agreements reached at the Uruguay Round of multilateral trade negotiations, to open markets and eliminate trade barriers. The upcoming WTO Ministerial Meeting should focus on the concerns of the developing countries and make specific recommendations regarding financing, technology transfer and capacity-building. Also in 2002, the World Summit on Sustainable Development would undertake its own comprehensive review of Agenda 21, identifying the problems encountered in implementing the various principles of sustainable development.

7. **Mr. Widodo** (Indonesia) said that the Millennium Declaration of the United Nations and the Plan of Action adopted by the Non-Aligned Movement at its South Summit in 2000 should serve as blueprints for the tasks ahead. The Millennium Declaration had asserted that the central challenge was to ensure that globalization became a positive force for all the world's people. To do that it was necessary to integrate the economies of the developing countries proportionally into the global economy, thereby boosting development, eradicating poverty and reducing the yawning disparities that divided the world and threatened peace and stability worldwide.

8. Partnership and dialogue anchored in mutual interests and benefits were the key to making globalization a positive force. Stronger links should thus be established between Governments, civil society, international organizations and the private

sector in order to deal with the core issues of development.

9. The next 12 months would throw two of those issues — financing for development and sustainable development — into relief. The forthcoming International Conference on Financing for Development would be addressing the inequities inherent in the global economy and would bring together for the first time the United Nations, the Bretton Woods institutions, the private sector and civil society to consider how to reform the current financial system and find means of increasing cooperation to stimulate financial flows to the developing countries. In the wake of a decade of devastating financial crises that had shattered the development efforts of a number of developing countries, including Indonesia, the international financial architecture should be completely overhauled, and the developing countries should be given a greater role in decision-making.

10. The debt strategies employed thus far by the international community had failed to resolve the problem of external indebtedness. The Conference should address the structural causes of indebtedness in order to arrive at a durable solution. Debt relief should be extended to all highly indebted poor countries and, as needed, to low- and medium- income developing countries. In addition, arrangements should be made for new financial flows and concessional financial assistance to debtor developing countries, particularly to reinforce domestic economic reforms, stabilization and structural adjustment programmes.

11. Protection of the environment had become a dominant concern since the adoption of Agenda 21, yet the promise of the latter remained unfulfilled. Progress on normative and institutional issues should be coupled with full implementation of commitments to sustainable development, particularly by the developed countries. In carrying out its own national and sectoral Agenda 21, Indonesia considered the support of the international community to be crucial. The comprehensive ten-year review of the implementation of Agenda 21 at the forthcoming World Summit on Sustainable Development would be critically important and should serve to reinvigorate the global commitments at the highest level. The active engagement of all the major groups identified in Agenda 21 and full international cooperation were needed to translate the targets set in the Millennium Declaration into concrete action.

12. **Mr. Šerkšnys** (Lithuania) said that the economic, social and environmental aspects of sustainable development were interrelated. As recent events had shown, poverty, a deficient educational system and an oppressive political climate could serve as breeding grounds for an extremism that applauded and perpetrated violence.

13. The conferences and special sessions regularly convened by the United Nations on critical social and economic issues of the day gave impetus to the search for possible solutions. The United Nations should ensure better coordination among its various agencies in the field of science and technology and promote more fruitful cooperation among countries in different stages of development. Information and communication technology was indispensable in helping the international community cope with globalization; the digital divide between developed and developing countries must therefore be eliminated. Information technology should serve as a tool for knowledge-sharing and development. Inter-agency cooperation and partnerships between public and private sectors would facilitate the transfer and absorption of new technologies, while innovative networking would create a system-wide community of information technology experts and users. Women should have equal access to scientific and technological training, resources, research and technology transfer.

14. His Government would be giving top priority in the coming four years to creating an information society based on science and new technologies, by, inter alia, introducing computer education for students, teachers and civil servants, and using computer networks to centralize access to government services; developing a long-term science and technology strategy; promoting electronic business; and using an integrated communications network to fight organized crime, drug-dealing and illegal immigration.

15. Lithuania would be an active participant in the World Summit on Sustainable Development. On the domestic front, his Government had sought to improve the legal and economic instruments of environmental management and to promote a sustainable development by giving priority to investment in pollution prevention and various progressive environmental technologies; and it would be working to improve the efficiency of the energy sector after accurately assessing the costs involved. In order to participate fully in the processes

of globalization through the use of new technologies and innovations, the Central and Eastern European countries in general had to follow a three-pronged approach to development — economic, social and environmental — based on their specific domestic conditions.

16. The International Conference on Financing for Development should result in a strategy for integrating countries at different stages of development into the world economy. While external financial flows were important, a country's domestic resources were still the primary means of financing its development activities; and States should be helped to develop their own strategies for poverty-reduction and for the best use of their own resources. Also essential to economic and social development was improved market access for developing countries and countries with economies in transition.

17. **Mr. Effah-Apenteng** (Ghana) said that the Committee had tended to ascribe the solutions to global economic challenges to domestic economic governance, ignoring the real need for action at the international level to address recurring financial crises. Attempts to address problems in a comprehensive manner had been repeatedly rebuffed. That had been particularly evident during negotiations on the agenda for the forthcoming World Trade Organization (WTO) Ministerial Conference, for, despite high-level pronouncements that trade should promote development, the negotiations had revolved around the need to secure additional benefits for developed countries as a precondition for discussing issues that were critical to the development of most developing countries.

18. In view of the failure of the global community to harness the benefits of globalization, as evidenced by increasing poverty and marginalization, it was legitimate to ask whether the best interests of the global community were served in a world of short-term profit-taking subject to acute cyclical reverses, where the biggest segment of the market remained undeveloped. In fact, that question had already been answered at the Millennium Summit: those interests would best be served through inter alia support for a framework that promoted poverty eradication, human rights and good governance. The creation of enlarged, effective markets and the maintenance of stability in international financial markets were clearly prerequisites for global wealth generation and must be discussed as ends in themselves.

19. Consensus should be sought on critical issues, including the need to: secure long-term financing for development (inter alia by forging partnerships with the private sector, international financial institutions and regional development banks); increase the use of multilateral funds for building infrastructure supportive of private sector investment; enhance the effectiveness of official development assistance (ODA) in line with national poverty eradication strategies; achieve secure funding for the integrated and coordinated follow-up to major world conferences; and identify global priorities, such as environmental degradation, HIV/AIDS, tuberculosis and malaria, to be funded from assessed contributions; and enhance the participation of developing countries and in international decision-making. The standard must always be that which brought the greatest good to the majority of humanity: namely the poor and the marginalized.

20. Principles of equity, social justice and solidarity must be seen to permeate debate on global economic outcomes. Particularly in light of the recent attacks and of the violence at anti-globalization protests, delegations should make a special effort to be open-minded.

21. **Mr. Doryan** (World Bank) said that the issues addressed by the Committee were also the core concerns of the World Bank as it worked to empower people to move from "ill-being" to well-being. With an additional 40,000 children under the age of five estimated to die and 10 million more people condemned to poverty as a result of the recent terrorist attacks, that common task had been rendered all the more urgent. For the global fight against poverty to be sustained following those attacks, it was crucial to: boost and better target foreign aid; complement strong reform efforts; reduce trade barriers; ensure that the WTO Ministerial Conference was motivated by the desire to use trade as a tool for poverty reduction and development; and build social consensus for ongoing reforms. Since most countries were unable to counteract imported shocks, reforms should be accelerated.

22. Effective development strategies and economic and social sustainability depended on enhanced national capacity to operate within a comprehensive framework that reflected the interdependence of

macroeconomic and financial issues with structural, social and human concerns, including environment and health. The international community should also address the need to harmonize multilateral and bilateral donor policies, the use of trade as a tool to redress imbalances, and the issue of foreign indebtedness.

23. Domestic policies and governance played a crucial role in the mobilization of international resources. Multilateral action must be strengthened on the basis of partnership, coordination and efficient use of resources. In the current context of urgency and possibility, the World Bank and United Nations must move from rhetoric to implementation, always ensuring that the poor were kept at the forefront.

24. **Mr. Robinson** (Observer for the International Union for the Conservation of Nature and Natural Resources (IUCN)) said that the expertise of IUCN on matters of ecology, natural resources, and sustainable development had been made available inter alia in the Forum on Forests and the Commission on Sustainable Development. IUCN had also participated in the work of the United Nations Environment Programme (UNEP), including in the preparation of the group of experts to develop the programme for the development of environmental law ("Montevideo Programme III").

25. Peace and sustainable development depended on safeguarding environments and habitats from terrorist acts. IUCN recognized that sustainable development required stronger cooperation between States and societies in order to build genuine environmental security and hoped to cooperate with the United Nations to that end.

26. **Mr. Slade** (Samoa), speaking on behalf of the Alliance of Small Island States (AOSIS) said that the devastating repercussions of the terrorist attacks served to underscore the urgency of the Committee's work. Members of the Alliance were concerned that the commitment to sustainable development of developed countries and donor organizations would be diminished in the wake of the attacks. They were also keen to ensure that the special vulnerabilities of small island developing States should be taken fully into account.

27. AOSIS was pleased that the Secretary-General, had identified implementation of the Barbados Programme of Action as one of the recommended strategies for implementation of the Millennium Declaration.

28. It strongly supported the International Decade for Natural Disaster Reduction and considered that there was a need for greater cooperation to address the vulnerability of small islands to natural disasters. Its members appreciated the willingness of States parties to move forward with the implementation of the Kyoto Protocol, for, to them, climate change was a priority issue. The agreement reached in Bonn represented a significant achievement, paving the way for agreement on the many complex arrangements established under the Protocol.

29. **Mr. Clodumar** (Nauru), speaking on behalf of the Pacific Islands Forum Group, said that the reorganization of five items on the current session's agenda must not lead to the marginalization of the issues of special concern to developing States.

30. The upcoming fourth Ministerial Conference of the World Trade Organization and the International Conference on Financing for Development were vital to addressing the trade and financing needs of the developing world. The World Summit on Sustainable Development would provide an occasion to highlight the direct relationship between economic activities, the environment and societies, especially the societies of the small island developing States. He hoped that the Committee's discussions would lead to recognition of the many constraints on the Pacific Islands Forum Group countries and result in ways to improve their socio-economic status.

31. **Mr. Enkhsaikhan** (Mongolia) welcomed the integrated and comprehensive approach suggested by the Secretary-General in his report (A/56/326). To achieve the objectives set out in the Millennium Declaration, the Mongolian Government had adopted a good governance for human security programme as a means of meeting the goals set out in the Declaration. The programme put considerable emphasis on inter alia poverty reduction, income redistribution and job creation.

32. Turning to financing for development, he noted that official development assistance (ODA) remained vital to the least developed, landlocked and small island developing countries. The International Conference on Financing for Development should address all aspects of development and development financing; while at the same time, highlighting the role of ODA in economic growth, social progress and equity and environmental protection. Special

consideration should also be given at the next round of trade negotiations, to the circumstances and interests of the least developed landlocked countries. In that regard, he welcomed the attention given in the Secretary-General's report (A/56/326) to the special circumstances and needs of landlocked developing countries and expressed the hope that the United Nations would continue to support the efforts of the landlocked and transit developing countries to enhance their transit transportation.

33. The objectives of the Rio Summit held particular significance for Mongolia since land deterioration and desertification were increasingly threatening economic and social structures. His Government had launched a sustainable development agenda for the twenty-first century designed to address those challenges but was having difficulties in implementing it due to financial and human resource constraints.

34. His delegation welcomed the progress achieved at the resumed session of the United Nations Framework Convention on Climate Change and underlined the need for continued efforts to combat desertification. The World Summit on Sustainable Development should undertake a comprehensive and critical review of the achievements and shortcomings of Agenda 21. While States had agreed that the funding for implementation of Agenda 21 should come from countries' own public and private sources, there was still a need to mobilize new financial resources to meet targets for poverty reduction, environmental protection and economic growth.

35. **Mr. Ben Mellouk** (Morocco) said that one of the main obstacles facing developing countries in their efforts to become integrated into the world economy was a lack of resources for financing development activities. The forthcoming international conference on the subject would afford an opportunity for discussing measures to deal with that situation. It could, inter alia, discuss measures to promote investment and should give priority, in that regard, to establishing partnerships between the private and public sectors.

36. While the primary responsibility for development lay with the countries concerned, measures were also needed at the international level. As the international community prepared for the Fourth Ministerial Conference of WTO, it should recognize that the future of the multilateral trading system depended on the integration of the developing countries into the world economy and on addressing their specific problems.

37. The need to strengthen international cooperation was becoming extremely urgent. International and regional financial institutions had an essential role to play in guaranteeing financial resources for the financing of economic reform programmes and for sustainable development activities.

38. The digital divide was another hurdle facing many developing countries. Information technologies were of strategic importance for economic and social development. The international community must reflect on measures to facilitate the access of developing countries to such technologies and help them to develop national strategies based on new technologies. One possibility would be for Governments to use incentives to facilitate the transfer of new technologies to developing countries. The international community must also consider ways to adapt regimes of intellectual property law so as to facilitate and encourage the transfer of technologies to developing countries on preferential terms.

39. **Mr. Manalo** (Philippines) said that the preparations for the International Conference on Financing for Development and the World Summit on Sustainable Development would constitute an unprecedented opportunity for tackling the manifold problems faced by developing countries. Given the substantial improvement in economic and political governance in nearly all developing countries, new and additional debt relief would be a good investment for the international financial community.

40. At the international level, more effort was required to give developing countries access to investment opportunities and open access to markets in developed countries. The European Union's "Everything but Arms" initiative was a good start, but its limited application was a serious drawback. Liberalized trade would be meaningful only if developing countries were able to expand their export capacities. The rules of trade and WTO itself should be made more responsive to the needs, concerns and priorities of developing countries.

41. His delegation would like to see the institutional capacity of WTO enhanced in extending technical assistance to developing countries, and to ensure in particular that developing countries enjoyed full and fair facility in using the WTO dispute settlement

mechanisms. His Government supported a more formalized relationship between the United Nations and WTO. A regular dialogue patterned after the dialogue between the Economic and Social Council and the Bretton Woods institutions should therefore be considered.

42. The international community should also strive to foster a more stable international financial system. Various aspects should be examined, including the role of the private sector in fostering international financial stability. Multilateral surveillance of economic and financial policies should be accepted as a global public good and the level of funding for such goods should exceed the level of funding for ODA. Such a balance was critical to the success of the World Summit for Sustainable Development. His delegation therefore emphasized the need for adequate funding for the implementation of Agenda 21.

43. **Mr. Jimenez** (Ecuador) said that given the current international climate, the United Nations should play an essential role in tackling problems from a global and multidimensional standpoint. Millions of human beings lived in abject poverty, deprived not only of material goods but of opportunity. That posed a serious challenge for the United Nations system. At the political level, those problems and their possible solutions were well known, and the United Nations merely had to confront them more effectively. It was important to start from facts rather than from theories. The fact was that there were a number of structurally different economies; it was also a fact that the external environment of those economies was a decisive element in the success or failure of internal policies; therefore, solving the problems was not the exclusive responsibility of those directly concerned, especially in the case of countries with marginal involvement in international markets. These facts must be borne in mind in order to come up with effective solutions.

44. The external debt continued to be one of the most serious constraints on development; large debt servicing payments left little money with which to implement social programmes or improve the infrastructure that would support economic development. The benefits gained by the developing countries from their participation in international trade were as yet unsatisfactory: liberalization and transparency did not extend to all sectors, and unfair practices, such as subsidies, persisted, drastically distorting international trade. The impossibility of entering the more dynamic markets further frustrated the economic development of the developing countries, by hindering their strengths and capacities. Those problems further exacerbated internal problems.

45. The Conference on Financing for Development and the World Summit on Sustainable Development would, however, provide an opportunity to establish the foundations for an equitable and supportive international community.

46. **Mr. Fall** (Senegal) said that Africa would not achieve its objective of reducing poverty by half by 2015 if current trends continued. Those trends were characterized by three striking phenomena: firstly, the economic growth of the continent had levelled off during the last decade to only 2.1 per cent yearly, while Official Development Assistance (ODA) had declined; the external debt remained intolerable. Second, Africa was suffering from environmental problems as well as from deterioration of the forests and desertification, all of which was having a disastrous impact on agriculture. Third, HIV/AIDS was taking a heavy toll among young adults, dangerously mortgaging the future of Africa.

47. During the 1990s, Africa had made unprecedented efforts to achieve macroeconomic stability, market liberalization and privatization and its efforts had been supported, however inadequately, by the international community. However, one of the economic and social recovery programmes had proved successful and it was now clear that lack of leadership and inadequate participation by Africans in various common efforts had contributed in no small measure to that relative failure. That was the reason for the great interest in the New African Initiative, a joint initiative of all the African heads of State, which had just been adopted by the 37th Summit of the Organization of African Unity. The object of that initiative was to create the conditions for good governance and for the appropriation of new information and communications technologies, with a view to eradicating poverty through strong, healthy and sustainable development. It identified infrastructure, agriculture, education and health as priority sectors calling for immediate action.

48. Implementing this initiative would present an immense challenge and would require the support of the international community. He therefore appealed to all delegations to pay particular attention to the need for productive and urgent action.

49. **Mr. Manele** (Solomon Islands) agreed that the Millennium Declaration should provide the framework for the work of the Committee, and that the fight against poverty should be the main objective. The prevalence of dire poverty in a world of unprecedented wealth was an affront to the moral basis of civilization. Since many current problems, including war and violations of human rights, were rooted in underdevelopment and poverty, there was an irrefutable common interest in addressing those issues. The Programme of Action 2001-2010, adopted at the Third United Nations Conference on the Least Developed Countries, must be translated into action, and ODA resources must be invested to support development efforts. Donor countries and lending institutions must also ensure that they did not give with one hand and take away with the other.

50. Development cooperation should go beyond humanitarian needs and be linked to peace-building initiatives. In an increasingly interdependent world, the policies of donor countries on investment and trade, and other matters should help promote development for the poorest populations. Otherwise the benefits of globalization would continue to elude the majority. The Fourth Ministerial Conference of the World Trade Organization (WTO) to be held in Doha in November 2001 should extensively debate those matters.

51. Consensus must be achieved on the mobilization of resources for the attainment of international development targets; the Conference on Financing for Development was a valuable opportunity to do so. In addition, the World Summit on Sustainable Development must agree on ways and means to ensure wider and productive implementation of Agenda 21, and should explore measures for the implementation of the Barbados Programme of Action.

52. Climate change and rising sea levels threatened the very survival of small island developing states; the international community, in particular the States that were the biggest emitters of greenhouse gases, must seek to understand the unique circumstances of those States. Efforts to resolve the outstanding differences over the Kyoto Protocol to the United Nations Framework Convention on Climate Change must therefore be the focus of the Seventh Conference of the Parties to that instrument.

53. **Mr. Salazar Cosio** (Peru) said that the latest economic recovery had largely been confined to the strongest economies and had not led to a clear redistribution of wealth, either among or within countries. Several of the countries with the highest levels of social inequality were located in his region.

54. On the international level, it had coincided with the emergence of a new class of countries marginalized by the inability to use technology to strengthen their economies. Current growth projections for the European Union, Japan and the United States were far less rosy; the outlook for the weaker economies was even less encouraging. During the 1990s, efforts had been made to reform economic structures. Those reforms had at first had dynamic results, bringing about growth and the mobilization of private capital resources within the emerging markets and the search for greater profits. While capital had flowed in, it had sometimes suddenly fled, provoking great instability. The so-called bubble effect offered an illusion of growth but raised doubts about the feasibility of the reform.

55. That Darwinian selection process had affected the terms of trade for commodities. The so-called new economy gave precedence to other products which were gradually supplanting primary products. The Fourth Ministerial Conference of WTO in Doha would be an opportunity for the international community to provide greater levels of access to markets for such labour-intensive products as textiles and agricultural products.

56. At its recent Summit, the Rio Group had emphasized the need to strengthen the multilateral trade system and reaffirmed its commitment to continue to work towards achieving the necessary consensus for the success of the Fourth Ministerial Conference of WTO. It had requested that the agenda for that Conference should adequately address the concerns of the developing countries with respect to the implementation of the Uruguay Round.

57. The current situation of insecurity could well precipitate new disturbances and increase energy costs; that would have a negative effect on most developing countries. Important and unprecedented decisions would have to be made. No one would deny the need for a new architecture for the international financial system and for greater liberalization of trade recognizing the principle of special and differential treatment.

58. **Mr. Coşkun** (Turkey) said that his delegation regarded the Millennium Declaration as the framework for the Committee's work. Although globalization and technological innovations brought benefits to the world, they were also fraught with danger. The gap between the haves and the have nots was growing and geographical distance could no longer insulate anyone from global problems. Suffering inflicted on people anywhere in the world must be relevant to all others elsewhere. The Committee should therefore approach its work with a constructive attitude, and a sense of partnership and unified will power.

59. While development was primarily the responsibility of each country, sustainable development required international cooperation, for it was through such cooperation that peace and stability could best be ensured. His delegation therefore hoped that the Conference on Financing for Development would take a unified approach towards closing the gap between developed and developing countries and that the World Summit on Sustainable Development would likewise have fruitful results.

60. **Mr. Al Atrash** (Libyan Arab Jamahiriya) thanked Under-Secretary-General Desai for calling attention to the concerns of the African continent, in particular those relating to development and the eradication of poverty, and said that the time had come to support developing countries by reducing or eliminating their indebtedness and increasing development financing. He noted the Secretary-General's recommendation that Governments should be urged to take steps to prepare a transparent, stable and predictable framework for investment and for building institutional infrastructures and that multilateral and bilateral donors should be encouraged to adopt suitable measures to permit faster and more extensive debt relief for poor countries. His delegation supported the proposal for the creation of a world solidarity fund for poverty eradication noting that in the creation of the fund, attention must be paid to General Assembly resolution 55/210.

61. No sustainable improvement in individual income was possible without macroeconomic development. Development must be sustainable, equitable and human and must put an end to all discrimination. The international community must therefore accord priority to development programmes for developing countries and must adopt decisive measures to overcome the obstacles that stood in their way. Such measures should include creating a new global order that would bring an equitable distribution of wealth both nationally and globally; striving to create solutions that would guarantee effective North-South partnership in decision-making and within development institutions; encouraging developed countries to facilitate the transfer of technology and encouraging developed countries to provide developing countries with technical capacities and resources to enable them to participate in the preservation of the environment. Those issues had been stressed at the Group of 77 South Summit. His delegation believed that implementation of the Havana Programme of Action and of the Millennium Declaration would enable globalization to become a positive force for all peoples.

62. Like many other countries the Libyan Arab Jamahiriya continued to be the target of coercive economic measures although the sanctions unjustly imposed on it by the Security Council had been temporarily suspended. Moreover, the United States still used coercive economic measures such as the freezing of assets, the withholding of technology and other trade-restrictive practices. He called upon the international community to oppose the unilateral use of such measures and to seek to lift definitively all the sanctions imposed on the Libyan Arab Jamahiriya, so that it might play a greater part in international efforts towards development and more effective integration into the global economy.

63. He reiterated his country's condemnation of all forms of terrorism, particularly the recent terrorist acts of 11 September 2001 in which innocent civilians had been killed. Such acts were prohibited by the revealed religions and considered crimes under positive law. His delegation stressed the need to pool international efforts to fight terrorism in all its forms within the framework of the United Nations.

64. **Mr. Le Hoai Trung** (Viet Nam) said that globalization must not benefit only the rich countries and leave behind the poor countries. The commitments made at the Millennium Summit should be taken seriously, and cooperation between north and south should be strengthened. In that connection he stressed the need for an open, equitable, predictable, non-discriminatory and rule-based multilateral trading system and expressed the hope that the forthcoming International Conference on Financing for Development would achieve a new consensus model that took into account the needs and priorities of the developing world.

65. His delegation supported the launching of the new round of negotiations within WTO; indeed his country hoped to become a member of that organization in the near future. Fifteen years earlier, Viet Nam had undertaken a comprehensive reform which had brought about major changes, from economic restructuring to administrative reforms. It hoped that the external environment would be improved so as to provide support for the endeavours of all developing countries.

*The meeting rose at 6.10 p.m.*

United Nations A/C.2/56/SR.5

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## Second Committee

**Summary record of the 5th meeting**
Held at Headquarters, New York, on Tuesday, 2 October 2001, at 10 a.m.

*Chairman:* Mr. Barnwell (Vice-Chairman) ..... (Guyana)

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General debate (*continued*)

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01-55965 (E)

*The meeting was called to order at 10.10 a.m.*

**General debate** (*continued*)

1. **Mr. Valdivieso** (Colombia) noted that the session was opening in a new environment of uncertainty provoked by the terrorist attacks of 11 September. Those tragic events had changed the situation. Globalization and interdependence had shown their limits and cooperation appeared more than ever to be the only solution to international economic and financial problems.

2. The world economic outlook was not very good, above all for the developing countries. The economic slowdown had had an impact on world trade, negating the growth and development efforts of many countries. As a result of the decline in exports, the low prices for commodities and the stagnation of financial flows, in particular, the developing countries were suffering from the consequences of the economic slowdown experienced by the developed countries. The financial crisis which had arisen at the end of the previous decade had been exacerbated by the effects of the economic slowdown in the developed countries and the repercussions of the tragic events which had occurred in the United States.

3. In the current particularly unfavourable context, the International Conference on Financing for Development would have the task of redefining the international economic, financial and trade stakes and taking advantage of a unique opportunity to establish a new world alliance for development financing. It was important to cooperate to find common solutions that would make it possible to reduce the vulnerability of the economies of the developing countries — which was linked to the instability of external resources and inequitable access to private capital markets — and to strengthen the world financial system so that it would serve the interests of all and lead to the attainment of the development goals established by the international community. In that connection, his delegation drew attention to the interesting initiatives set out in the report of the High-Level Panel on Financing for Development (A/55/1000), to which the Preparatory Committee for the Conference would give serious consideration.

4. The main difficulty for the developing countries, in particular middle-income countries such as Colombia, was how to achieve the economic growth and sustainable development goals in a somewhat unfavourable environment characterized by globalization and interdependence. Colombia had modernized its institutions, opened up its economy, energized its private sector, decentralized its authorities and increased the participation of civil society with a view to taking advantage of the possibilities offered by globalization. It recognized that each country was responsible for its own development, but noted that interdependence resulted in countries being more affected by the actions of one particular country and that globalization accentuated the problems of contemporary society. Joint action must therefore be undertaken urgently to reduce the impact of that situation on the economies of all countries.

5. The next Ministerial Meeting of the World Trade Organization (WTO) must give priority to providing all countries with the means of achieving true economic growth and genuine social development. Protectionist barriers must be abolished in order to facilitate access to the markets for commodities from the developing countries.

6. With regard to sustainable development, the international community should also evaluate the United Nations Conference on Environment and Development, which had taken place almost 10 years earlier. The progress achieved since the adoption of the Rio Declaration and Agenda 21 was limited. Colombia remained determined to apply the Rio principles and to attain the targets set forth in Agenda 21. It had already done much, but there was still a long way to go to achieve sustainable development. The success of the World Summit on Sustainable Development would depend on the commitments which Member States would make. In that connection, Colombia had already planned to carry out a national evaluation.

7. The triennial review of operational activities for development of the United Nations system was a major theme of the Committee's work. Those activities, which were neutral and universal, did not always receive the financial support necessary if the efforts made were to succeed. His delegation hoped that the triennial review would be constructive and that the commitments made by all in the Millennium Declaration would receive sufficient support for the United Nations to be able to help countries to achieve their development goals.

8. **Mr. de Moura** associated his delegation with the statement made the previous day by the representative of the Islamic Republic of Iran on behalf of the Group of 77 and China.

9. Uncertainty was a feature of the current world economy and the terrorist attacks of 11 September had aggravated the trend towards a slowing down of economic growth, trade and foreign direct investment. The International Monetary Fund (IMF) had revised downwards its forecast for global economic growth in 2001. The World Bank was also pessimistic and had affirmed that the developing countries would suffer the worst effects of the economic downturn.

10. In the era of globalization, the only way to deal with such a difficult situation was with a combination of appropriate domestic policies and international cooperation and by taking into account the interests of all. It was therefore crucial to strengthen the participation of developing countries in the international decision-making processes, especially in financial institutions.

11. Brazil had made the transition to a floating exchange rate regime without any adverse impact on prices, which were controlled by an inflation-targeting framework. It had strengthened its fiscal policies; exports and industrial production had increased and urban unemployment had dropped. It was confident that it would be able to meet the challenges that lay ahead; however, in a globalized world, an enabling international environment was crucial to economic growth and stability.

12. The new round of multilateral trade negotiations could play a key role in revitalizing international trade, provided that the focus was on development. Unfortunately, sectors of export interest to developing countries had not been subject to the same rules as other sectors. Protectionism remained widespread and continued to hinder the exports of developing countries. In the agricultural sector, developed countries were allowed to heavily subsidize their products, thereby creating unfair market conditions in areas in which developing countries were competitive. It was therefore hard to conceive that a significant number of countries would support the launching of the new round of trade negotiations unless agreement was reached on a precise and ambitious mandate for the agricultural sector. His delegation would also like to see a re-evaluation of anti-dumping rules; those rules had been devised as an instrument against unfair trade practices but were, in fact, being used for protectionist purposes.

13. His delegation was also concerned at the imbalance in the relationship between the Agreement on trade-related aspects of intellectual property rights (TRIPS) and access to medicine; intellectual property rules must strike a balance between the goals of the private sector and that of the public interest, namely making life-saving drugs available for the population.

14. International cooperation was another tool that was being affected by the present economic slowdown. The decline in official development assistance was worrisome, for some countries could neither attract private investment nor borrow from private banks. The decrease in official development assistance had also harmed the operational activities of the United Nations, notwithstanding the consistent efforts of the specialized agencies, funds and programmes of the United Nations to achieve a more efficient and results-oriented performance.

15. Debt relief was another way of assisting the developing countries. His delegation supported the Highly Indebted Poor Countries Initiative and believed that two principles should guide that initiative. Firstly, the resources freed up by debt relief should be utilized to finance poverty reduction programmes. Secondly, the initiative must be funded by new and additional resources, which meant that they should not be taken from other initiatives for low-income countries or from increases in interest rates for countries borrowing from international financial institutions.

16. Given that the current difficult situation could be overcome only by a combination of adequate domestic policies and an enabling international environment, the Committee must review the main economic issues and identify areas for cooperation.

17. **Mr. Kittikhoun** (Lao People's Democratic Republic), after associating himself fully with the statement made by the representative of Iran on behalf of the Group of 77 and China, said that he would like to make some points about the specific problems of landlocked developing countries.

18. While globalization offered hopes for prosperity, these hopes did not always materialize since, unfortunately, everybody did not have the same opportunities. Globalization benefited only the rich and

powerful, who represented but a small proportion of the world's population. The unfair world economic order disregarded the interests and concerns of the majority of the world's population, namely developing countries, including the least developed countries, small island developing States and landlocked developing countries. That injustice must be corrected immediately. Globalization could be managed and therefore must be managed in such a way as to ensure that everyone benefited. To do that, the international community must move from rhetoric to action.

19. The group of landlocked developing countries was recognized by the United Nations as one of the most vulnerable and disadvantaged groups of countries. The basic problem of those countries was their lack of direct access to the sea and their remoteness from major international markets. Their high transit transport costs made their exports less competitive. The specific problems of landlocked developing countries were not new and efforts had been made in the past to address them. However, concrete actions in favour of landlocked developing countries had remained limited and ineffective. A Meeting of Governmental Experts had been institutionalized in 1993 to discuss the issue and find solutions to it. In 1995, the General Assembly had adopted a Global Framework for transit transport cooperation between landlocked and transit developing countries and the donor community.

20. The consideration of the specific problems of landlocked developing countries should be at a ministerial level where political commitments could be made. His delegation therefore strongly supported the recommendation of the Fifth Meeting of Governmental Experts on the convening of an international ministerial meeting on transit transport cooperation and appealed to all the stakeholders to lend their support and cooperation to that meeting and to its preparatory process. The meeting should draw on experiences with respect to transit trade cooperation and lessons learned from global conferences. The findings and outcomes of various subregional meetings held on the question should be utilized as inputs for the background documentation for the preparatory work.

21. The issue of trade was directly related to the specific problems of landlocked developing countries. While trade liberalization had offered opportunities for export expansion, landlocked developing countries had not been able to take advantage of them, since they had been marginalized for a long time. In order to allow landlocked developing countries to be integrated into the world trading system, differential treatment measures in their favour should be put into place and their situation should be seriously considered at the Ministerial Meeting of the World Trade Organization (WTO) and the International Conference on Financing for Development with a view to mobilizing the necessary support to address that problem. Efficient trade facilitation measures as well as a broader generalized system of preferences would be necessary. Since WTO was aware of the disadvantaged position of landlocked developing countries and their inability to meet its conditions, it should allow those countries to join the organization.

22. With regard to financing for development, the International Conference on Financing for Development should address all aspects of the issue in a holistic manner and should lead to a new paradigm for mobilizing financial resources for development, taking into account both the role of trade as the most important multi-dimensional mechanism in that field and the specific needs of vulnerable and disadvantaged countries.

23. **Mr. Requeijo** (Cuba) said that his delegation associated itself with the statement made by the representative of the Islamic Republic of Iran on behalf of the Group of 77 and China.

24. Despite a rapid growth in trade, finance and information and technology, poverty, marginalization and poor sanitation were steadily spreading. Moreover, official development assistance (ODA) was shrinking, commodity prices were declining and the external debt burden had reached unsustainable levels.

25. Globalization had aggravated the imbalances in international economic relations. Developing countries remained marginalized and did not benefit from the advantages of globalization. The technological gap between developing and developed countries was growing wider. An overwhelming majority of Internet users, cellular telephone service subscribers and Internet servers were located in developed countries. Millions of people were unaware of the technological revolution and lived in conditions of extreme poverty, without health care and education. A third of the world's population did not have electricity, and millions of people throughout the world still did not have access to basic drugs such as penicillin.

26. The international community must take decisive measures to address that situation and measures should be taken as a matter of urgency to integrate developing countries into the world economy on a sustainable basis. They should stop being passive actors and be allowed to participate actively in the world decision-making process.

27. The issue of financing for development had become even more relevant than before, given the new realities required by globalization. The holding of the International Conference on Financing for Development was an urgent matter for all developing countries. It should make it possible to achieve progress in the area of international economic relations, allow all stakeholders, including developing countries, to interact with each other, to mobilize fresh resources that matched the needs of those countries, and to revive official development assistance.

28. The consideration of the implementation of the outcomes of the Rio Summit constituted a major challenge that all States Members of the United Nations should endeavour to meet in a concerted and effective manner. The decisions adopted at all the meetings on the environment had not been enough to tackle all the real and urgent problems with respect to sustainable development, which were becoming worse, especially in the developing countries. His delegation trusted that the World Summit on Sustainable Development to be held in South Africa, in 2002, would come up with concrete solutions in that regard.

29. The fourth WTO Ministerial Conference, which would be held in the near future, should address the principal concerns of developing countries with a view to integrating them truly into the new world economy and future multilateral trade negotiations. It was hoped that that meeting would lead to the adoption of specific measures in favour of developing countries and that the developed countries would respect their commitments to grant them special and differentiated treatment, especially by opening their markets to the products and sectors which particularly interested the developing countries. Within the framework of the trade liberalization that was advocated so much at the current time, there was a proliferation of coercive unilateral economic measures dictated by the developed countries with regard to developing countries for purely political purposes. Cuba had been the victim for more than 40 years of a global economic, commercial and financial blockade imposed by the United States Government and strengthened by the Torricelli and Helms-Burton laws in order to starve the Cuban people into surrendering. The Committee should once again condemn those acts since they constituted a blatant violation of the rules of international law, particularly the principles governing trade between nations.

30. Furthermore, in view of the constant decrease in the basic resources necessary for United Nations funds and programmes, the Committee should consider the triennial review of United Nations operational activities, a matter which the Cuban delegation would follow with very particular interest. Numerous reforms had been conducted in order to improve the effectiveness and efficiency of funds and programmes and to make them more attractive for donors. It was necessary henceforth to evaluate their impact in the field because that process would make it possible to stimulate operational activities and strengthen funds and programmes.

31. **Mr. Aho-Glele** (Benin) said that his delegation associated itself with the statements made by the Islamic Republic of Iran (on behalf of the Group of 77 and China) and by Bangladesh (on behalf of the least developed countries).

32. With regard to economic, financial and development questions, the United Nations was focusing more and more attention on the multifarious problems encountered by part of its most vulnerable members, namely the least developed countries, African States, landlocked developing countries and small island developing States.

33. Benin was pleased to note that various action programmes had been drawn up in order to address the specific concerns of those countries. Nevertheless, those countries required, at the level of the United Nations system, adequate means and an adapted organizational system for coordinating, following up, mobilizing and allocating those means.

34. While the political will guaranteeing adequate means, in principle, already existed and had been expressed through various specific action programmes, the organizational systems for them should be harnessed in order to better adapt the level of available resources and the objectives for which they were earmarked. Owing to the lack of an adequate organizational system, many funds were not mobilized, a large number of available funds were mismanaged or wasted, and adopted programmes were not executed.

35. In that connection, his delegation was pleased with the results of the Third United Nations Conference on the Least Developed Countries, which had adopted a new mechanism for implementing, following up, coordinating and evaluating the action programme drawn up, which, if rigorously set up, would make it possible to further adopt and better coordinate the various interventions with regard to their objectives.

36. It was hoped that the project to set up the office of a high representative of the Secretary-General for the least developed countries, landlocked developing countries and small island developing States would succeed. In that regard, he welcomed the decision by the European Union to support that request on the part of the least developed countries, which had been put forward by the Group of 77, and he hoped that it would be unanimously supported.

37. **Mr. Kumalo** (South Africa) said that his delegation associated itself with the statement made by the Islamic Republic of Iran on behalf of the Group of 77 and China. Referring to the tragic events that had taken place in the United States of America on 11 September, he reiterated his Government's commitment to work closely with all United Nations bodies in a concerted search for appropriate means to eliminate international terrorism. In that regard and as had already been recognized in that debate, there was a need to carefully consider the root causes of terrorism, particularly underdevelopment and poverty.

38. As his delegation had already stated at the recent high-level dialogue on strengthening international economic cooperation for development through partnership, Africa had given serious thought to the fundamental questions underlying the problem of the huge disparities in development between the North and the South and the persistence of poverty and underdevelopment on the African continent. That had given rise to the New African Initiative, whose objectives were to eradicate poverty on the continent and to place African countries on a path of sustainable growth and development, and thereby halt the marginalization of the continent in the globalization process. In that regard, it was important to promote peace, security, democracy, good governance, human rights and sound economic management as well as regional cooperation and economic integration as preconditions for development. African leaders had pledged to work individually and collectively to promote those principles in their countries and regions.

39. Africa had also determined its own priority sectors in order to achieve those goals, which entailed bridging gaps in infrastructure, particularly in respect of information and communication technologies and the transfer of technology, promoting human development, particularly in the areas of health, education and culture, encouraging the development of agriculture and the diversification of production and exports, and enhancing market access and resource mobilization at the national and international levels.

40. The African countries could not meet those challenges without the support of the international community. The New African Initiative had already gained the support of the Group of Eight and other developed countries. The States Members of the United Nations had also endorsed it, in particular in the high-level ministerial declaration of the Economic and Social Council and at the meeting of the open-ended working group on the causes of conflict and the promotion of durable peace and sustainable development in Africa. In considering the special needs of Africa, the Committee should not forget that the New African Initiative provided the framework for implementation and for the evaluation of all future United Nations activities in the continent.

41. The themes of the International Conference on Financing for Development were central to the development of the African countries. The mobilization of additional resources, both domestic and foreign, was essential in order to achieve higher levels of growth and more effective poverty eradication; private capital flows, and the promotion of trade, which would generate foreign capital, particularly in countries which had not been able to attract international financial flows, were equally important. The removal of tariff peaks and other indirect trade barriers to products from developing countries was the best way of assisting those countries in promoting their own development. South Africa hoped that the fourth ministerial meeting of the World Trade Organization in Doha would be able to launch a trade round which would address the importance of trade for development.

42. The International Conference on Financing for Development would set the stage for strengthened international cooperation for development and a new international approach to financing for development.

Issues such as external debt relief and foreign direct investment flows should be seen from a new angle; his delegation was prepared to participate fully in a definition of the parameters and priorities which should underpin those new approaches.

43. The World Summit on Sustainable Development, to be held in South Africa, should also reinvigorate the commitment of the international community to the goals of sustainable development and the integration of economically efficient, socially equitable and environmentally sound development policies. It should therefore make a visible contribution to the achievement of sustainable development objectives by developing countries and the reversal of their marginalization. Poverty remained one of the biggest threats to sustainable development; the Southern African Development Community had therefore proposed that the theme of the summit should be: "Poverty eradication as a key to sustainable development". In addition, the World Summit should take special initiatives in the areas of water, energy, biodiversity, food security, desertification and land degradation. Despite the commitments made at the United Nations Conference on Environment and Development in 1992 and at other international conferences, the resources needed by developing countries to achieve sustainable development remained inadequate. The World Summit should therefore address that issue and that of the governance of sustainable development. It should also contribute to the fulfilment of international development goals and the outcome of the Millennium Summit. Furthermore, it should articulate a new vision for the governance of sustainable development. In that respect, the ongoing review of international environmental governance would be an important component, particularly in respect of the need to improve efficiency and address problems created by the duplication of structures.

44. The Committee would also be focusing on the triennial policy review of operational activities for development of the United Nations system. The declining levels of ODA had eroded the financial base for those activities, which affected the ability of the system to assist developing countries. However, his delegation was encouraged by recent statements made by some developed countries which had recommitted themselves to reaching the ODA targets as soon as possible. Developing countries should clearly not become dependent on ODA, but its importance in the short to medium term and the catalytic role it played in mobilizing other resources for development must be recognized.

45. The need for enhanced coordination among the United Nations agencies that dealt with cross-cutting issues was therefore even more critical. In that respect, the expansion of the United Nations Development Group would contribute to a coordinated approach to the work of the Organization at the field level. The full involvement of Governments of programme countries in the formulation of United Nations Development Assistance Frameworks was also of vital importance.

46. The fight against poverty would not be effective unless serious efforts were made to address the needs of the least developed countries. His delegation therefore reaffirmed its commitment to the full and effective implementation of the Brussels Programme of Action for the Least Developed Countries and would strive to ensure the effective follow-up without which that objective would not be achieved.

47. **Mr. Olobo** (Uganda) condemned the acts of terrorism committed against the United States of America in particular, and the international community in general, and hoped that the perpetrators of that heinous crime would be punished.

48. His delegation also supported the statements made by the representatives of the Islamic Republic of Iran on behalf of the Group of 77 and China, Bangladesh on behalf of the least developed countries and the Lao People's Democratic Republic on behalf of the landlocked developing countries.

49. His delegation hoped that the Third United Nations Conference on the Least Developed Countries, the discussions held in Geneva on the development of Africa and the upcoming conference on financing for development and summit on sustainable development would help address the issues of poverty eradication, the external debt burden, diminishing financial flows, the mobilization of financial resources, increased market access, globalization and development.

50. The current world economy appeared vulnerable and a number of the major industrialized countries were experiencing higher unemployment and declines in growth, capital spending and industrial production. Those trends would no doubt have a negative impact on developing countries, reducing their prospects for development and integration in the global economy.

The international community should collectively engage in a search for solutions.

51. His delegation welcomed the report of the Secretary-General entitled "Road map towards the implementation of the United Nations Millennium Declaration" (A/56/326). As indicated in the report, hard decisions and courageous reforms would be required, particularly in areas of policy, including transparent and accountable governance, and with regard to the mobilization of additional resources, debt relief and market access for exports. In that connection, priority should be given to the particular concerns of the least developed countries and the African countries.

52. Uganda welcomed the commitments made by the international community at the Third United Nations Conference on the Least Developed Countries and hoped that they would translate into the implementation of the Programme of Action for 2001-2010. While the primary responsibility for development in the least developed countries rested with those countries themselves, their efforts must be supplemented by concrete and substantial support from the international community, in a spirit of shared responsibility and genuine partnership which included civil society and the private sector. The follow-up and implementation processes of the Programme of Action should be strengthened substantially in order to ensure more positive achievements by the end of the decade.

53. External debt remained one of the greatest hindrances to the development of the developing countries, and to rapid economic growth and poverty eradication. Debt relief must therefore be a high priority of the international community; his delegation believed that efforts to that end should be further strengthened. The failure of some of the more seriously indebted countries to generate sustained growth and development, one of the root causes of the problem of indebtedness, should be tackled in a broader development context.

54. While the Heavily Indebted Poor Countries Debt Initiative (HIPC) had been a real boon to those countries which qualified for debt relief, there were still problems which should be addressed in order to maximize the benefits of those initiatives. Funding must be found in order to implement fully the enhanced Heavily Indebted Poor Countries Initiative. Debt relief was one way to free resources for investment and poverty eradication, but, if it was genuinely to improve economic and social conditions in the poorest countries, it must be accompanied by sound domestic economic and budgetary policies, supported by the civil society of the countries concerned. The best long-term solution, however, remained full cancellation of the debt of all least developed countries.

55. The New African Initiative adopted by the Organization of African Unity should provide a more concrete platform for the promotion of a stronger development framework for cooperation between Africa and the rest of the world. By taking full responsibility for their own destiny, African countries should be able to establish a truly viable partnership with the rest of the world.

56. Uganda believed that trade offered one concrete tool for the mobilization of the necessary resources for growth and development. The pursuit of the trade agenda should continue to focus primarily on development, and the formulation of trade policies at all levels should be complementary and coordinated with similar actions in the areas of finance, investment and development cooperation. Market access for products from developing countries must be improved, and the WTO Ministerial Conference in Doha must give priority attention to issues of concern to those countries.

57. The South Summit held in Havana in April 2000, while stressing the importance of guaranteeing preferential access to technology, had called on the developing countries to harness cooperatively their own scientific, technological and human resources. Taking into account the increasing role of information and communication technologies, the need to bridge the digital divide in all spheres of human activity had been regarded as a key factor in the development of developing countries.

58. His delegation hoped that the International Conference on Financing for Development would make a real difference in reducing poverty and increasing access to financial resources, particularly in Africa. The sombre assessment of the economic prospects for the decade given by the Under-Secretary-General for Economic and Social Affairs should compel all countries to reassess their approaches to international cooperation for development.

59. **Mr. Kulyk** (Ukraine) said that one of the global challenges facing the international community at the beginning of the new century was to ensure that the

benefits of globalization were made available to all. Recent experience had demonstrated that the processes of globalization had a huge impact on economic and social conditions, especially in the countries in transition. Consequently, the need to find solutions to the problems created by globalization imposed a difficult task on both Governments and international organizations. One of the outstanding issues was how better to reconcile the views and needs of all States in the course of elaborating a new international financial system that was responsive to the priorities of growth and development and promoted economic and social equity. The United Nations should play a major role in organizing and facilitating policy dialogue and consensus-building among the relevant stakeholders. His delegation hoped that the International Conference on Financing for Development would help to mobilize the needed domestic and external resources. It was therefore important to ensure that all the parties concerned were involved in the preparatory process. Also, the final documents of the Conference should reflect the different approaches to financing for development that had been proposed, including those corresponding to the specific situation of the countries in transition, and provide a realistic plan for mobilizing financial resources.

60. Another acute problem currently facing the international community was the struggle to eradicate poverty. Poverty affected all nations, including the prosperous ones, and demanded a solution on a global scale. If the full potential of market resources and new technologies to bridge the growing gap between rich and poor was to be realized, greater cooperation and international dialogue were needed. In that regard, the United Nations and its Member States ought to do their utmost to achieve the Millennium Declaration targets, in the economic area in particular.

61. The economies in transition had registered a significant recovery in the period 2000-2001. Introducing sweeping reforms, most of the countries in transition had established the basic institutions of a market economy and liberalized their domestic markets and foreign trade. Nevertheless, many of them were still finding it difficult to restructure their economies and correct macroeconomic imbalances, and the difficulties would only be aggravated by the deceleration of world economic growth. Any rise in domestic consumer demand would be insufficient to offset the diminishing foreign direct investments and trade flows. For Ukraine, the years 2000-2001 had been a turning point in the dynamics of its economic development. After a long crisis, its macroeconomic parameters had tangibly improved. Next year, his Government planned to increase social spending under the State budget. The main task now was to ensure that economic growth would be sustainable and translated into benefits for all citizens. The Government also attached great importance to Ukraine's accession to WTO. The international community should for its part continue to support the countries in transition in their efforts to spur economic growth, eradicate poverty and resolve environmental problems by, specifically, improving their access to markets, increasing transparency and predictability in trade relations, reducing the risk of protectionism and expanding their capacity to integrate themselves into the international economic context. The vital importance of non-discriminatory terms of access could not be overemphasized.

62. Since the previous triennial policy review, there had been some progress in strengthening the United Nations system of operational activities but much more remained to be done. The international community should, in particular, endeavour to ensure the effectiveness of operational activities, maintain their dynamic institutional structure and improve the partnership with all players in the development process at the national level. In that connection, Ukraine stressed the importance of enhancing the United Nations development system's capacity to respond appropriately and with the necessary flexibility to the needs of beneficiary countries, including the specific needs of the countries in transition. There, the operational activities should focus on promoting market reforms, including the development of entrepreneurship, providing technical assistance and advice in areas like the building of an institutional infrastructure or a trade-related national capacity, ensuring the sustainability of macroeconomic reforms and accelerating the integration of the economies in transition into the world economy.

63. Although 15 years had passed since the accident at the Chernobyl nuclear power plant, the problems involved in managing the aftermath were still acute and represented a serious obstacle to achieving the goals of sustainable development in Ukraine. Given the long-term nature of those consequences, the United Nations

should continue to coordinate the international action to mitigate them and analyse them.

64. The World Summit on Sustainable Development should be an occasion for reaffirming the commitment of the participating countries to a sustainable development based on economic growth, social development and environmental protection. Ukraine was ready to participate actively in the preparatory process, recognizing the need to adopt action-oriented decisions aimed at effective implementation of Agenda 21 and improvement of global environmental governance. The adoption of the main elements of the Bonn Agreement could not fail to inspire Governments to bring to a successful conclusion the long negotiations on implementation of the Kyoto Protocol. The seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change should be able to forge a compromise on the outstanding issues.

65. **Mr. Andino Salazar** (El Salvador), associating himself with the statement made by the delegation of the Islamic Republic of Iran on behalf of the Group of 77 and China, said that the Second Committee was beginning its work at a difficult time when the international community should be taking action. In the wake of the Millennium Summit, the Committee had initiated preparations for two major encounters: the International Conference on Financing for Development and the World Summit on Sustainable Development, which would furnish an opportunity to meet the objectives of sustainable development set in the Millennium Declaration.

66. It was with those objectives in mind that his Government had taken part in the fifteenth Presidential Summit of the Rio Group, which had recognized that the region had made enormous efforts to restructure its economic policies, often at the cost of great sacrifice on the part of its population, but that economic growth had declined as a result of the slowdown in the world economy. In order to tackle that situation, the Presidents had adopted a decision in support of the International Conference on Financing for Development, reasserting the central role to be played by the United Nations in creating an international economic architecture capable of meeting development priorities and ensuring that all countries could profit fairly from the benefits of globalization.

67. At the Summit of Heads of State and Government of the Group of Eight, held at Genoa in June 2001, his Government had had an opportunity to express its concerns vis-à-vis the serious problems that developing countries experienced in making progress in an increasingly interdependent world. El Salvador's experience was no different from that of many other countries. In its concern to become an integral part of the international economy, the Government had taken steps to promote the free circulation of the dollar, the opening-up of markets, foreign investment, regional integration and the ratification of free trade treaties. UNDP's global Human Development Report 2001 confirmed that the economic reforms initiated by El Salvador since 1989 had, inter alia, made it possible to curb inflation, simplify the tax system, privatize certain economic activities, liberalize prices and interest rates and eliminate some protectionist measures. At the same time, it had carried out social and democratic reforms which had led to greater consolidation of peace and transformation of the country in a period of 10 years. According to the report, El Salvador's human development indicator had increased by more than 10 points, with average annual growth of 4.5 per cent and per capita GDP growth of 2.4 per cent. Inflation had fallen from 24.5 per cent in the 1980s to 2.5 per cent in the past three years, exports had tripled and poverty had dropped 18.2 percentage points, from 65.7 per cent in 1991 to 47.5 per cent in 1999. Much remained to be done, however; poverty still existed and was particularly aggravated by the effects of earthquakes which had caused large-scale damage in education, health and housing infrastructures and in the production sector.

68. Like other developing countries, El Salvador must make a major effort to stimulate growth and create a favourable climate for investment since it needed first and foremost to find solutions to the formidable challenges of development, although the role of international cooperation could never be stressed enough. No domestic effort could succeed if the difficulties of developing countries were not taken into account. The Monterrey International Conference on Financing for Development would identify the procedure for forging a new world alliance that could mobilize resources for development in the most favourable conditions possible. His Government hoped that the Conference would also make it possible to strengthen the world's financial architecture so that developing countries would have not only duties but

also rights in an international system characterized by globalization and interdependence. In that regard, El Salvador was in favour of initiating a new round of trade negotiations which would take the interests of all participants into account and hoped that the necessary consensuses could be established to ensure greater success for the fourth Ministerial Conference of the World Trade Organization (WTO) to be held in Doha (Qatar) in November 2001.

69. His Government also wished to express its support for the preparations for the World Summit on Sustainable Development. It had taken part in the preparations by hosting a subregional meeting for Central America during which the countries of the region had expressed concern about the difficulties of implementing Agenda 21 nine years after the adoption of the Rio Declaration, partly because of the lack of financial resources and technology transfers on preferential terms. It was hoped that the Rio+10 review would not lead to renegotiation of the Rio agreements but would note the difficulties of implementing Agenda 21 in accordance with the principle of joint but differentiated responsibilities.

70. **Mr. Vencel** (Slovakia) said that his delegation associated itself with the statement made by the representative of Belgium on behalf of the European Union but wished to make some additional observations.

71. The eradication of poverty and reduction of vulnerability were major problems affecting most aspects of development. The poor were particularly vulnerable to environmental degradation, natural disasters and disease. Poverty was also rife in the wealthy countries and engendered fanaticism and terrorism. It was therefore the urgent duty of the international community to combat two current threats to development and common security — poverty and HIV/AIDS. Governments themselves must be the driving force in pursuing a policy that would embrace the economic and social factors affecting development. Good governance was crucial for effective action targeting the causes of poverty. Human rights must be respected and an adequate legal framework developed; there was a need to apply sound macroeconomic policies, combat corruption and strengthen human and institutional capacities, both nationally and on the basis of international cooperation.

72. At the same time, the international community should make greater efforts to provide an enabling international economic environment. The multilateral trading system should be reformed to make it more open, equitable and non-discriminatory. UNCTAD played a unique role in the United Nations system in that regard. Slovakia had been one of the founding members of the World Trade Organization (WTO) and its trading policy fully complied with WTO rules and principles. His delegation strongly believed that the next round of multilateral trade negotiations would set an agenda that would clearly reflect the interests of the poorest countries.

73. Regional economic cooperation was of tremendous importance for Slovakia, which actively supported regional agencies both within the United Nations system, in particular the Economic Commission for Europe, and outside it, such as the Central European Initiative.

74. It was in the common interest to promote the long-term stability of the global financial system and strengthen every country's institutional capacities in the field of finance. Strengthening and securing domestic banking systems could play a crucial role in mobilizing domestic resources for investment and development. His delegation expected that the preparatory process for the International Conference on Financing for Development would contribute to the implementation of the internationally agreed targets and strategies for sustainable development set at the Millennium Summit. Some transition economies faced chronic economic and social problems which were essentially related to underdevelopment. The International Conference would provide an excellent opportunity to identify the key factors for economic development and poverty alleviation. Efforts should be made to increase the efficiency of assistance. In view of the heterogeneity of levels of development and the associated diversity of problems, official development assistance and debt relief should be tailored to the specific needs and circumstances of individual countries.

75. The follow-up processes of world conferences were an important part of the efforts to improve the relevance not only of the General Assembly but of the United Nations as a whole. In that regard, his delegation welcomed the adoption by the Economic and Social Council of a resolution making the Council responsible for the regular assessment and coordination

of the implementation of the action programmes of the major United Nations conferences. The partnership of civil society, particularly non-governmental organizations (NGOs), was also important. It was therefore essential to ensure that NGOs could participate fully in the work of the special sessions.

76. His delegation would participate actively in the preparatory process for the World Summit on Sustainable Development. It recognized that the concept of sustainable development was taking on increasing importance in the context of the United Nations and it remained committed to the principles of the Rio Declaration on Environment and Development and Agenda 21. It would also like to see the work done under the environmental conventions better coordinated, with the assistance of the United Nations Environment Programme.

77. **Ms. Raguž** (Croatia) said, with reference to the overview of the global economic outlook presented by the Under-Secretary-General for Economic and Social Affairs, that the dynamic nature of the international economy clearly had a continued impact on the living conditions of people all over the world. The results had not always been those predicted or desired, but they were all too visible. New manifestations of vulnerability brought about by globalization should be a cause for concern to all. The Millennium Summit and the commitments embodied in the Millennium Declaration had provided the international community with the opportunity to take stock and chart the future. The next step was to translate the resulting programmes and strategies into action. The measures to be taken should, however, be reviewed in the light of both current and evolving challenges. The underlying fear was that the tragic events of 11 September could trigger a new form of instability in the world economy, characterized by isolationist policies, with dire consequences for developing countries. Nevertheless, those events alone could not stop the continuing process of globalization. The Millennium Summit and the Third United Nations Conference on the Least Developed Countries had, indeed, highlighted the fact that the disparity between rich and poor countries was increasing and that extreme poverty constituted one of the most urgent challenges of the twenty-first century.

78. The endeavour to reverse the marginalization of developing countries, to promote their sustained economic growth and sustainable development and to facilitate their integration into the world economy had led the international community to search for integral and balanced global arrangements. Its universal nature enabled the United Nations to play a pivotal role in international action in a continuously changing global context by building the necessary consensus for practical reforms. However, cooperation with other international and regional organizations should be strengthened in a non-hierarchical way. The proposal that regional dimensions should be integrated more closely into United Nations operational activities was a step in the right direction.

79. The implementation of the goals set forth in the Millennium Declaration would provide further impetus to cooperation between the Economic and Social Council and the Bretton Woods institutions. Furthermore, her delegation would continue to support the Council's efforts to work with other international institutions, such as WTO, and improve its outreach to civil society and the private sector. The advantages provided by the Council's functional commissions and by UNCTAD should be utilized to the full. In that regard, her delegation considered the Council's decision to undertake a comprehensive examination of its working methods at its next substantive session most timely.

80. For Croatia, as for many other countries, globalization had contributed to the determination of political priorities and had made accession to various international and regional organizations dealing with economic, trade, security and political issues a top priority. Some of the significant initiatives which had been taken in that respect had been the achievement of membership of WTO in 2000 and the entry into force of the Stabilization and Association Agreement with the European Union, as well as the negotiations relating to membership of the Central European Free Trade Agreement. Those measures and other initiatives would result in the liberalization of 80 per cent of Croatia's international trade by the beginning of 2002.

81. Full integration into the world economy required, among other things, continued investment in the form of both foreign direct investment and overseas development assistance (ODA). Foreign direct investment should not be considered as a replacement for ODA. It had different motivations and objectives. At the same time, the multilateral trading system continued to develop. Her delegation hoped that renewed commitment to the establishment of a transparent, equitable and rule-based trade system was

not merely an exercise in rhetoric and that restored momentum for real action would be discussed at the Fourth WTO Ministerial Conference.

82. The consolidation of a global agenda for collective action in mobilizing resources would require a particular effort at the International Conference on Financing for Development. If that effort were to be successful, there would have to be a commitment to maintain true partnerships based on equitable and transparent principles, with the participation of all the relevant players. The mobilization of women in development and their access to financial resources should also be given appropriate attention.

83. Information and communications technologies could be a very effective tool for development and empowerment, but they should not be used at the expense of the principles governing sustainable development and environmental protection.

84. Finally, the international community would have an important task to fulfil in preparing for the World Summit on Sustainable Development, namely to reaffirm at the highest political level its commitment to North-South cooperation in accelerating the implementation of Agenda 21.

85. **Ms. Durrant** (Jamaica), speaking on behalf of the States members of the Caribbean Community (CARICOM) and associating herself with the statements made by the representative of the Islamic Republic of Iran on behalf of the Group of 77 and China and by the representative of Samoa on behalf of the Alliance of Small Island States, said that she wished to highlight economic issues that were of crucial importance to the Caribbean region.

86. The CARICOM States had welcomed the high-level dialogue of the General Assembly on strengthening international economic cooperation for development through partnership. The chosen theme, "Responding to globalization: facilitating the integration of developing countries into the world economy in the twenty-first century", was especially opportune as it served to underscore the necessity of fostering growth in developing countries with full recognition of the interdependence of the prosperity and well-being of the countries of the North and South.

87. Despite the protestations of its most ardent defenders, globalization had had a chequered history, especially in developing countries. While they were aware of the tremendous opportunities offered to them, particularly in accelerating trade and investment flows, the countries of the Caribbean also knew that globalization created as many problems as opportunities. Some countries had experienced growth and expansion while others had not. Income disparities had increased within countries and between one country and another. Unemployment had worsened in many cases and the gap between developed and developing countries had widened rapidly in recent years. Many developing countries found themselves in difficulties because they were devoting most of their earnings to debt servicing to the detriment of vital development sectors such as health, education and infrastructure. If the process of globalization was to succeed for the benefit of the majority, a new regime of international economic governance had to be set in place which would ensure all countries of the world an equitable share in the advantages it brought.

88. At the Millennium Assembly the international community had laid the foundations for a people-centred development agenda to improve the quality of life of the greatest number, particularly the poor. Since then the participants in the Third United Nations Conference on the Least Developed Countries had reaffirmed the commitments aimed at eradicating extreme poverty. The time had come to act on them.

89. The CARICOM States set great store by the contribution which the forthcoming International Conference on Financing for Development could make to the integration of developing countries into the world economy: they were hoping that it would address national, international and systemic issues relating to financing for development in a holistic manner within the context of globalization and interdependence, and would address the mobilization of the resources necessary to reach the goals for 2015 set by the Millennium Assembly. The broad themes identified by the Preparatory Committee for the Conference and the general thrust of the recommendations set out in the Facilitator's first draft went in the right direction.

90. While it was for governments to determine national policies to mobilize resources, it was essential that safety nets should be developed to cushion the effects of economic reforms on those least able to participate in the global economy. As the Secretary-General had pointed out in his report on the work of the Organization (A/56/1), "[e]nsuring gender equality and women's empowerment are equally critical to the

reduction of poverty" and tribute should therefore be paid to those funds, programmes and agencies which focused on strengthening women's economic capacity, rights and bargaining power and enhancing Governments' capacities to manage economic transitions without marginalizing poor women. Whereas, in the past, official development assistance (ODA) had bridged the resource gap in a number of countries, between 1999 and 2000 ODA from countries of the Organisation for Economic Cooperation and Development (OECD) had fallen by 6 per cent and future prospects remained too uncertain to ensure the reliability of ODA in the long term. For that reason, it was particularly important to develop effective partnerships between the Bretton Woods institutions, regional development banks and the United Nations development agencies in order to improve the efficiency of service to developing countries.

91. Two crucial topics which should be given close attention in the context of the debate on financing for development were trade and debt relief. With regard to the former, small economies, such as those in the Caribbean, were heavily dependent on equitable terms of trade. Future multilateral trade negotiations must therefore address existing inequities and disparities. Any WTO "development round" should focus on the removal of policies that constrained developing-country exports of agricultural products and labour-intensive manufacturing. There was also a need for special and differential treatment for the most vulnerable countries, in order to ensure their survival in the global system of trade and finance. Initiatives aiming at such an outcome should be on the agenda of the fourth Ministerial Meeting of WTO, to be held in Doha, Qatar.

92. The debt burden, meanwhile, prevented developing countries and countries in transition from reducing poverty or reaching other development goals. It was therefore particularly urgent to implement the Heavily Indebted Poor Countries (HIPC) initiative, without, however, compromising other ODA flows, and to help countries to achieve their desired economic and social development. Bilateral and multilateral creditors should pursue debt relief vigorously and expeditiously, giving particular priority to the poorest countries but also taking into account the concerns of middle-income countries.

93. The new moves to improve the condition of the poor and promote sustainable development should involve a participatory approach among Governments, local stakeholders, the private sector and community groups, together with the indispensable support of the United Nations system.

94. **Mr. Lee** Ho-jin (Republic of Korea) said he was gratified that the General Assembly had resumed its work, which had been disrupted by the heinous terrorist attacks on the host country on 11 September, and he expressed his country's firm commitment to join in the efforts of the international community to combat world terrorism.

95. With reference to the *World-Economic and Social Survey 2001*, he said that the current slowdown, which was largely due to excess investments and product inventories in manufacturing sectors, had shrunk the import demand of the developed countries, thus limiting export opportunities for developing countries. Since globalization intensified interdependence between economies, it had far-reaching implications for the development process, particularly in the most vulnerable countries.

96. Although globalization offered many benefits, it also had negative effects, such as the marginalization of developing countries, the transmission of diseases across borders, money laundering and international organized crime. The Asian financial crisis had shown the detrimental effects of contagion to emerging economies. Illegal activities associated with the progress of information and communication technologies were also a matter for concern.

97. In addressing such challenges, Governments had a crucial role to play in providing a proper environment to prevent or suppress the undesirable effects of globalization; the rule of law, democracy, respect for human rights and market mechanisms should be in place. It was encouraging to note that many developing countries had taken proactive steps to improve domestic governance. International organizations, such as the United Nations system, should work towards more efficient coordination with others in that regard. Given the deepening interdependence arising from globalization, holistic and participatory solutions should be sought and partnerships among the major stakeholders, donors, recipients and the public and private sector should be strengthened, in line with the initiative of the Secretary-General on the Global Compact.

98. His delegation attached great importance to the outcome of the International Conference on Financing for Development, to be held in Monterrey in 2002. Given the importance of resource mobilization in economic growth and development, it was important to prepare for the Conference in the most practical manner, avoiding political rhetoric and unrealistic commitments.

99. The implementation of Agenda 21 had served as common ground in the pursuit of development goals. It was therefore to be hoped that the World Summit on Sustainable Development, to be held in Johannesburg, would provide the necessary platform for a review of the progress made since Rio and to map out a future strategy. His Government was considering making a contribution to the Trust Fund to enable developing countries to participate.

100. The emerging knowledge-based society to which information and communication technologies had given rise presented numerous opportunities and challenges. The digital revolution was a double-edged sword, particularly in terms of the digital divide, which undermined the growth potential of developing countries. In order to redress that situation, bold policies for developing human resources and strengthening institutional capacities must be adopted; accordingly, he welcomed the establishment of the ICT Task Force and the decision of ITU to hold the World Summit on the Information Society.

101. Despite recent economic setbacks, his Government wished to support development cooperation by gradually increasing its official development assistance. In the area of market access, it had removed tariffs on 80 commodities that were of major export interest to the least developed countries. His Government had also contributed to several facilities set up by the Bretton Woods institutions, such as the HIPC Trust Fund.

102. **Ms. Leonce** (Saint Lucia), after offering her condolences to all the families affected by the tragedy of 11 September, associated herself with the statements made on behalf of the Group of 77 and China, the small island developing States and the Caribbean Community.

103. She recalled that at the fifty-fifth session of the General Assembly, she had stated that the systemic imbalances and inequalities in the world economy and the institutions that regulated its functioning were the greatest threat to peace and democracy in the world, and that if that explosive situation was left unchecked, new tensions would emerge. Earlier, at the fifty-fourth session, she had also said that it was important not to be taken in by lofty speeches about partnership when the implacable logic of globalization was to decimate, to marginalize and to eliminate; she had stated that developing countries should join forces to ensure that the great wave of liberalization did not sweep them away, and to work for greater justice and solidarity, so that at the dawn of a new millennium the needs and interests of all would be taken into account.

104. Those statements had lost none of their relevance; the world was seeing the predictions they contained come true earlier than expected. At the time, her country had already been suffering the adverse consequences of globalization and trade liberalization, and it had warned other countries that a similar fate awaited them if they did not radically and urgently redress the deficiencies inherent in prevailing ideologies and economic theories. Thus, the developing countries had been asked to liberalize their economies and to integrate; they were now so integrated, so tied to the fate of a certain economy, that their fortunes were completely dependent on it, although they could not influence its policies. They had been asked to establish an environment conducive to capital flows, yet foreign direct investment flows to the developing countries were continually shrinking and were expected to diminish by another 6 per cent in 2001, especially since the climate in the developed countries was more uncertain, the risks were greater and investment returns were lower. Huge amounts of assistance had been promised, yet official development assistance had decreased. Developing countries had been advised to rely on the deregulated private sector rather than on government policies and actions, yet there was every reason to expect that private philanthropic activity would contract.

105. One of the most recent economic reports published in Geneva, entitled "Global Economic Trends and Prospects" (UNCTAD/GDS/Misc.21), offered a striking illustration of how everything that had been said to the developing countries was contradicted by objective data. It revealed, in particular, that without a coordinated global policy response, the slowing of the United States economy would produce a synchronous cyclical downturn in the world economy; that on the eve of the events of 11

September, global economic conditions had already been deteriorating, and that for the first time since the end of the 1970s much of the world economy was simultaneously experiencing slower growth, because the major industrialized countries were exporting their recession through trade and financial linkages. The report also stated that, according to preliminary estimates, the developing world would experience slower growth in its export volumes in 2001, and that growth forecasts had been revised downwards even prior to the terrorist attacks; the growth of volume of world trade was expected to drop to 4 per cent from 12 per cent in 2000, and the global volume of imports and exports would have difficulty withstanding the declines in the prices of primary commodities and of manufactured exports. The report concluded that the future of the world economy could not be left to the policy response of the United States to the recent events, that "business as usual" was no longer the right slogan for the world's policy makers, that the world must realize that unregulated financial markets could operate against the public interest by channelling resources in support of terror, and that developed and developing countries had common cause in finding constructive measures to better manage financial markets in the interest of all countries.

106. In 2000, her Government had denounced the change of direction towards peacekeeping and humanitarian assistance which the developed countries were in the process of imposing upon the United Nations and had clearly stated that the United Nations should concentrate on development, which was a prime factor in eliminating poverty and preventing war. The time had come to do some soul-searching and to ask whether the course of action followed thus far was not, in fact, responsible for the horror of poverty, which was the lot of the peoples of most developing countries. One could not continue to promote uncertainty and economic decline by putting the emphasis on early conflict management rather than on development, as shown by the distribution of the Organization's budget appropriations. If it wanted to remain useful and relevant to all peoples who were threatened by economic chaos the United Nations must accomplish its development mission. As the report stated, it was not possible simply to deal with current matters and allow a new wave of under-development to sweep through and not be concerned about the equitable and coherent implementation of the Uruguay Round negotiations. The developing countries should be accorded special and differentiated treatment and provided with technical assistance, the Centre on Transnational Corporations within the United Nations Secretariat should be re-established, and the relations between WTO and the United Nations system should be regularized.

107. In fact, by not taking those fundamental aspects into account one was perpetuating the prevailing unjust system which was leading to increased poverty, violence and death. In the face of the threats she had described her country was keen to work with other delegations to achieve the Charter objectives of improving the well-being of all countries, developed as well as developing.

108. **Mr. Ling** (Belarus) noted that the Committee's work at the current session was unusual in that it had to be seen in the context of preparations for a series of important international events concerning development, namely the Fourth WTO Ministerial Conference, the International Conference on Financing for Development and the World Summit on Sustainable Development. There was no doubt about the complementary and interdependent nature of the agendas of those conferences. It was reasonable to hope that the meetings would contribute to creating a firm basis for achieving the agreed development objectives as set out in the documents adopted by major United Nations conferences and reaffirmed in the Millennium Declaration. But it was clear that there was no way those objectives could be achieved without stable, adequate and predictable financial resources. The International Conference on Financing for Development had a particular, specific role to play in that regard. For the first time, the United Nations, which was coordinating the partnership links established between Governments, the Bretton Woods institutions, the private sector and civil society, would really have an opportunity to make a contribution to the achievement of a new consensus on issues of principle related to the mobilization of financial resources for development. His delegation noted with satisfaction that, in the context of preparations for that conference, consideration was currently being given to a series of very interesting specific proposals and recommendations relating to finding new sources of financing, and it was ready to play an active part in the corresponding work.

109. The search for new methods of financing development objectives must not cause one to lose

sight of the existing mechanisms and agreements which had not been fully exploited. In that context, external trade policy played a key role. His delegation unreservedly supported one of the recommendations the Secretary-General had made to the Preparatory Committee for the International Conference on Financing for Development, in which he had pointed out that widening the access of developing countries and of countries with economies in transition to markets for their export products could produce more significant results than direct financial assistance, provided that there was a simultaneous effort to develop their production potential. That recommendation was of particular importance for a country such as Belarus which had an extremely open economy broadly geared to exports. His delegation sincerely hoped that the forthcoming WTO Ministerial Conference would be able to find solutions to ensure full implementation of the decisions of the Uruguay Round of multilateral trade negotiations and to lay the bases for a new series of negotiations that would focus on development.

110. All the positive results of the above-mentioned meetings convened by WTO and the United Nations should provide a solid basis for the preparation of the World Summit on Sustainable Development to be held in Johannesburg in 2002. The international community had established enough mechanisms and instruments in the area of sustainable development; however, their effectiveness thus far had often been found wanting, especially because adequate resources were not available for financing the corresponding activities. It was therefore extremely important to include questions concerning financing and the transfer of technology among the priorities for the preparations of the Johannesburg Summit.

111. **Mr. Kyazze** (United Nations Educational, Scientific and Cultural Organization) associated himself with the remarks made by the Under-Secretary-General for Economic and Social Affairs with respect to the 11 September terrorist attack. UNESCO traditionally monitored very closely the deliberations of the Second Committee because they addressed a number of cross-cutting issues that were intimately linked to the mandate of his organization, notably communication, science and many aspects of sustainable development, such as human resources development. His organization was all the more motivated as a specialized agency to involve itself more intensely in the work of the Committee. Moreover, the Secretary-General had indicated in his report on the work of the Organization (A/56/1) that UNESCO was a member of the United Nations Development Group and was thus in a much better position to contribute to the system-wide development action, not only with respect to operational activities and related commitments, but also the less spectacular, yet equally vital aspects of development, such as culture in development.

112. UNESCO looked forward to contributing to the discussions and to providing advice to members of the Committee during informal consultations in its fields of competence. It hoped that the Committee would continue its work aimed at mainstreaming the contribution of specialized agencies into the broader endeavour of the United Nations system, especially with particular reference to science and technology, for which UNESCO had a specific mandate, even though debates under that item tended to focus on the Commission on Science and Technology for Development. UNESCO also attached considerable importance to the World Solar Programme. It pledged to provide continued support to that Programme and looked forward to similar support from the Committee. As far as poverty eradication was concerned, his organization's strategy was organically linked to its education for all programmes, which the Committee was invited to keep in mind.

113. Turning to the least developed countries, he noted that the General Assembly, and the Second Committee in particular, had the daunting challenge of working towards the implementation of the Plan of Action adopted at the Third United Nations Conference on the Least Developed Countries. For its part, UNESCO believed that the development of human resources of the least developed countries, notably through education and training, could be instrumental to that end. There should be a considerable increase in investment in human resources development.

114. In his address to the special session of the Economic and Social Council on Sustainable Development in Africa, the Director-General of UNESCO had noted that the complexities of the contemporary world required sound scientific bases for decision-making. UNESCO could draw on its unique comparative advantage of combining natural and human sciences under one roof. He therefore urged members of the Committee to keep in mind his

organization's readiness to contribute its share to the global effort of the United Nations system towards the achievement of a balanced and sustainable human development.

*The meeting rose at 12:55 p.m.*